2004 0537

City of Orange
2000-2005 Housing Element and Technical Report

Approved by Orange City Council
October 9, 2001

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RESOLUTION NO. 9536

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE APPROVING NEGATIVE DECLARATION 1653-00 AND GENERAL PLAN AMENDMENT 4-00 TO ADOPT THE CITY OF ORANGE HOUSING ELEMENT FOR THE YEARS 2000-2005.

General Plan Amendment No. 4-00
Applicant: City of Orange

RECITALS:

WHEREAS, the Planning Commission has authority per California Government Code Section 65358 to make a recommendation that the City Council amend the City's General Plan; and

WHEREAS, the California Government Code requires that cities review and update their housing elements every five years, according to a schedule set forth by the State Department of Housing and Community Development; and

WHEREAS, the City of Orange has prepared the 2000-2005 Housing Element, dated June 2001, as an update to its previously approved 1993 Housing Element in compliance with such requirements; and

WHEREAS, a Negative Declaration was prepared, noticed, and posted for public review in accordance with Article 8, Section 15105 of the California Environmental Quality Act Guidelines; and

WHEREAS, the Planning Commission has considered the information contained in Negative Declaration 1653-00, including the initial study and comments received during the public review process, and has found that the project will not significantly impact the environment or wildlife resources; and

WHEREAS, the Planning Commission held one duly advertised public hearing on September 5, 2001, for the purpose of considering the 2000-2005 Housing Element Update, General Plan Amendment No. 4-00 and Negative Declaration 1653-00; and

WHEREAS, the City Council held a duly advertised hearing on October 9, 2001, to consider the information contained in Negative Declaration 1653-00, including the initial study and comments received during the public review process, and General Plan Amendment No. 4-00, an amendment to update the Housing Element of the General Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange that Negative Declaration 1653-00 was prepared in conjunction with General Plan Amendment 4-00. After considering the information contained in Negative Declaration 1653-00, including the Initial Study and comments received during the public review process, the City Council determines that the project could not have a significant effect on the environment, therefore Negative Declaration 1653-00 is hereby adopted and approved.

BE IT FURTHER REOLVED THAT General Plan Amendment No. 4-00, to adopt the 2000-2005 Housing Element Update, should be approved as recommended by the Planning Commission based on the facts more particularly set forth as follows:

1. The Housing Element meets the requirements of State statute contained in Article 10.6 of the Government Code.

2. The Housing Element is consistent with the policies and programs contained within all elements of the General Plan.

3. The Housing Element advances State housing goals of decent housing and a suitable living environment for all members of the community.

4. The City's Affordable Housing Plan is the appropriate vehicle for strengthening its commitment to construction of new affordable housing units within the City.

5. General Plan Amendment No. 4-00 shall become effective thirty (30) days from and after the date of adoption of this Resolution.

6. The City Clerk is hereby authorized and directed to (a) make copies of this Resolution available to the general public within one (1) working day following the date of adoption, and (b) furnish to any person making a request for a copy of the adopted documents amending the General Plan within two (2) working days after receipt of a request therefor accompanied by payment for the reasonable cost of copying.

ADOPTED this 13th day of November, 2001.

ORIGINAL SIGNED BY
MARK A. MURPHY

Mark A. Murphy, Mayor of the City of Orange

ATTEST:

ORIGINAL SIGNED BY
CASSANDRA J. CATHCART
Cassandra J. Cathcart, City Clerk of the City of Orange

I hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the 13th day of November, 2001, by the following vote:

AYES: COUNCILMEMBERS: Slater, Alvarez, Murphy, Coontz
NOES: COUNCILMEMBERS: Cavecche
ABSENT: COUNCILMEMBERS: None
ABSTAIN: COUNCILMEMBERS: None

ORIGINAL SIGNED BY
CASSANDRA J. CATHCART
Cassandra J. Cathcart, City Clerk of the City of Orange

2000-2005 HOUSING ELEMENT

City of Orange
General Plan

Approved by the Orange City Council
October 9, 2001
Resolution 9536 Adopted November 13, 2001

June 2001

Consultants to the City

Cotton/Beland/Associates, Inc.
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Pasadena, CA 91101

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INTRODUCTION TO THE HOUSING ELEMENT

The Housing Element is a guide for housing within Orange. The Element provides an indication of the need for housing in the community in terms of affordability, availability, adequacy, and accessibility. The Element provides a strategy to address housing needs and identifies a series of specific housing programs to meet community needs. A detailed Housing Needs Assessment was prepared as part of the 2000 Housing Element update and serves as the technical background document to the Housing Element. This Technical Report is included as an appendix to the Housing Element, with key points from the assessment synthesized in the Housing Context section of the Element.

PURPOSE OF THE ELEMENT

The Housing Element is an official municipal response to a growing awareness for the need to provide housing for all economic segments of the community, as well as a legal requirement that housing policy be made a part of the planning process. The Housing Element provides the City with the opportunity to plan for the existing and future housing needs in the community. The Orange Housing Element has been prepared in compliance with the 2000-2005 five-year update cycle for cities in the Southern California Association of Governments (SCAG) jurisdiction. This Housing Element identifies strategies and programs that focus on: 1) conserving and improving existing affordable housing; 2) providing adequate housing sites; 3) assisting in the development of affordable housing; 4) removing governmental and other constraints to housing development; and 5) promoting equal housing opportunities.

RELATED PLANS AND PROGRAMS

A number of local and regional plans and programs relate to the Housing Element. A brief description of these plans and programs follows.

City of Orange HUD Consolidated Plan Fiscal Year 2000-2005: The Consolidated Plan is a five-year plan which must be prepared by entitlement jurisdictions in order to receive federal housing funds. As an entitlement jurisdiction, Orange has prepared a Consolidated Plan which identifies the City's overall housing and community development needs, and outlines a strategy to address those needs over a five-year period from 2000 to 2005. This Plan satisfies the Department of Housing and Urban Development's (HUD) statutory requirements for Orange's formula programs, Community Development Block Grant (CDBG) and HOME. The coordinated housing development plan incorporates federal, State, and local resources, and a one-year implementation plan with provisions for monitoring by HUD.

An overall assessment of the housing and community development needs in Orange was prepared as part of the Consolidated Plan. This needs assessment provides the foundation for establishing priorities and allocating federal, State, and local resources to address the identified needs. The analysis examines the major components of housing need including demographic and housing stock characteristics, trends in Orange's population, households, and the type of housing available.

Regional Housing Needs Assessment (RHNA): State Housing Element Law requires the SCAG to create a plan every five years, the Regional Housing Needs Assessment (RHNA), which identifies a community's existing and future housing needs. SCAG has developed Orange's future housing needs for the period covering 1998 through 2005, identified as 3,205 new units.

Tustin Street, Southwest, and Northwest Redevelopment Project Areas: The City of Orange has adopted three redevelopment project areas within the City: the Tustin Street Project Area, the Southwest Project Area, and the Northwest Project Area. An estimated $1.2 million in net set-aside funds will be available annually for the 2000-2005 planning period for the implementation of affordable housing programs.

SCOPE AND CONTENT OF THE ELEMENT

The Orange Housing Element is comprised of the following sections: 1) Introduction; 2) Goals and Policies; 3) Housing Context; 4) Housing Programs; and 5) Appendix - Technical Background Report. The City's existing and projected housing needs are evaluated in the Background Report, summarized in the Housing Context section of the Element. The Element draws on these identified needs to define housing goals and policies, and specific implementing programs.

The State Legislature recognizes the role of local general plans and particularly the Housing Element in implementing Statewide housing goals to provide decent and adequate housing for all persons. Furthermore, the Legislature stresses continuing efforts toward providing affordable housing for all income groups.

The major concerns of the Legislature with regard to the preparation of Housing Elements are:

- Recognition by local governments of their responsibility in contributing to the attainment of state housing goals;
- Preparation and implementation of City and County Housing Elements which coordinate with State and federal efforts in achieving State housing goals;
- Participation by local jurisdictions in determining efforts required to attain State housing goals; and
- Cooperation between local governments to address regional housing needs.

The State Department of Housing and Community Development (HCD) sets forth specifics regarding the scope and content of housing elements prepared by cities and counties.

RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

The Orange General Plan is comprised of the following seven elements: 1) Land Use; 2) Circulation; 3) Housing; 4) Open Space and Conservation; 5) Safety; 6) Noise; and 7) Historic Preservation. Background information and policy direction presented in one element is also reflected in other General Plan elements. For example, residential development capacities established in the Land Use Element are incorporated into the Housing Element. This Housing Element builds upon other General Plan elements and is entirely consistent with the policies and proposals set forth by the General Plan. Whenever any element in the General Plan is amended, the Housing Element will be reviewed and modified, if necessary, to ensure the continued consistency between elements.

COMMUNITY PARTICIPATION

Section 65583(c)(5) of the Government Code states that "the local government shall make diligent efforts to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." As part of the comprehensive update to the Housing Element, the City conducted a public workshop before the Planning Commission with members of the public, housing advocacy groups, and groups representing lower income and special needs populations. This workshop provided valuable input from the public regarding housing needs within the community and housing issues and concerns that should be addressed in this Housing Element. Notes from this workshop are included in the Appendix to the Element. The City actively sought to elicit input from all sections of the community, publishing notices of the workshop in local English and Spanish language newspapers and sending workshop notices to individuals and organizations that had expressed an interest in the Housing Element update program. Along with interested members of the public, the following groups representing special needs and lower income populations participated in the workshop:

- Orange County Rescue Mission
- Christmas in April
- Orange County Community Housing
- Saint Joseph's Hospital
- Orange Cares
- Orange Housing Development Corporation
- Mercy Housing

During its 45-day review by HCD, copies of the Draft Housing Element were made available for public review at the local senior center, local libraries and Community Development Office (City Hall). The Notice of Availability of the Draft Housing Element was sent to all public workshop participants, and free copies of the Element were sent to anyone requesting a copy. Copies of the Draft Housing Element were also sent to the six low rent housing projects at-risk of conversion to market rate. In addition, public hearings are held on the Housing Element before both the Planning Commission and City Council. Notification is published in the local newspaper in advance of each hearing, and direct notices are mailed to interested individuals.

HOUSING ELEMENT GOALS AND POLICIES

The following goals, policies and implementation measures focus on the maintenance and provision of a variety of housing in terms of type, affordability and style. The Housing Element sets forth goals to address the following issue areas: 1) housing unit maintenance and upgrading, 2) housing affordability, 3) housing for persons with special needs, 4) historic preservation, 5) enforcement of fair housing programs, and 6) energy conservation.

HOUSING MAINTENANCE AND UPGRADING

Substandard and deteriorating housing units, in addition to the obvious problems of blight and appearance, can expose occupants to a variety of hazards ranging from electrical fire to toxic substances and materials used in construction. A number of factors will determine the life expectancy of a housing unit including quality of workmanship, age of unit, location, type of construction, degree of maintenance and upkeep, and a host of others. The following goals and policies encourage the maintenance and upkeep of housing in the City through a variety of programs ranging from financial assistance for unit rehabilitation to continued code enforcement.

GOAL 1: **The City will work to assure that the quality, safety and livability of the housing stock in the City of Orange is continuously maintained and/or upgraded.**

POLICY 1.1: Promote the maintenance of existing housing that is in good condition through preventative, rather than remedial maintenance.

POLICY 1.2: Promote the revitalization and rehabilitation of residential structures which are substandard or have fallen into disrepair.

Implementation 1.1.1: Continue to utilize CDBG, HOME and Redevelopment Housing Set-Aside funds to offer incentives to qualified persons to rehabilitate structurally deficient homes and to promote preventive measures to maintain viability of existing homes with the following programs:

a. Low-interest, long-term home improvement financing.

b. Deferred repayment home improvement financing for those on fixed incomes.

c. Financial incentives tailored to meet the unique needs of mobile home owners.

Implementation 1.1.2: Continue to provide technical assistance to all residential property owners wishing to make property improvements through the Building Division.

Implementation 1.1.3: Offer financial and technical assistance to non-profits to acquire and rehabilitate substandard apartment complexes and establish long-term affordability covenants.

GOAL 2.0: **The City will continue to encourage the maintenance, preservation and upgrading of the quality of existing residential neighborhoods.**

POLICY 2.1: Encourage the continued maintenance of residential neighborhoods in Orange.

Implementation 2.1.1: Continue to administer the City's graffiti removal program.

Implementation 2.1.2: Continue to administer the Orange Municipal Code in regards to the maintenance of residential property.

Implementation 2.1.3: Continue to administer the Neighborhood Enhancement Team (NET) to eradicate blight in targeted areas of the City.

Implementation 2.1.4: Discourage non-residential traffic through residential areas by reviewing subdivision designs as well as monitoring non-residential uses in residential neighborhoods.

Implementation 2.1.5: Provide for and monitor the adequacy of infrastructure needs within the residential areas.

Implementation 2.1.6: Encourage neighborhood and local involvement in addressing neighborhood maintenance and improvement.

HOUSING AFFORDABILITY

Housing affordability was once a concern of only the very poor, though this is no longer the case. Middle-class residents are finding it increasingly difficult to maintain their standard of living due to increased costs for housing. The City's commitment to ensure that an adequate supply of housing is maintained by the following goal and supporting policies.

GOAL 3.0: **The City will continue to encourage and assist in the provision of housing affordable to lower and moderate income households.**

POLICY 3.1: Facilitate the provision of affordable housing by offering financial and/or regulatory incentives where feasible.

Implementation 3.1.1: Continue to implement the City's Affordable Housing Ordinance to offer a variety of regulatory incentives, including density bonuses, for affordable housing.

Implementation 3.1.2: Continue to use Redevelopment Housing Set-Aside and HOME funds to assist non-profit affordable housing developers, and leverage with outside resources to the maximum extent possible.

Implementation 3.1.3: Provide homeownership assistance for low or moderate income households.

Implementation 3.1.4: Continue to use a one-stop development review process to facilitate City processing of proposals for affordable housing.

Implementation 3.1.5: Continue to provide for accessory second units in R1 zones as a means of providing infill rental housing.

POLICY 3.2: Support the provision of rental housing that adequately accommodates larger families, thereby reducing overcrowding and overpayment.

Implementation 3.2.1: Provide funding priority for affordable housing developments which serve the needs of lower income large families. Support projects which serve extremely low income households (30% median family income), to the extent financially feasible.

POLICY 3.3: Solicit participation by major employers in the provision of housing for employees, and promote the City's affordable housing programs with employers.

GOAL 4.0: The City will continue to promote opportunities for affordable housing beyond the City's immediate corporate limits.

POLICY 4.1: Plan for a mixture of residential density ranges in areas within the City's sphere of influence.

Implementation 4.1.1: Provide in the General Plan Land Use Element a variety of residential densities throughout the City's planning area.

Implementation 4.1.2: Pursue phased annexation of the East Orange General Plan area.

HOUSING FOR RESIDENTS WITH SPECIAL NEEDS

The City will continue to promote the provision of housing for the elderly and disabled. Problems of housing affordability are exacerbated because many residents in these categories are living on fixed incomes. In addition, many elderly and disabled persons require specialized equipment to improve access and mobility. The City will also continue to support service agencies which provide needed housing and services to the homeless and families that are temporarily living in Orange while a family member is being treated within on of the local hospitals.

GOAL 5.0: The City will continue to encourage housing projects designed to accommodate residents of the City with special, unique housing needs.

POLICY 5.1: Recognize the substantially increasing housing needs of the elderly in Orange, and promote and encourage a range of housing opportunities for this group, from independent to assisted living.

Implementation 5.1.1: Continue to facilitate the development of affordable senior housing through provision of financial assistance, and modified development standards such as reduced parking.

POLICY 5.2: Recognize the unique housing needs of the disabled, and provide opportunities to accommodate those needs.

Implementation 5.2.1: Ensure builders of multi-family rental housing comply with State HCD Rental Guidelines and Title 24 by providing units adaptable to the physically disabled.

POLICY 5.3: Support inter-jurisdictional efforts to address the issue of homelessness as identified in the County's Continuum of Care Plan, including the provision of housing opportunities to transition persons from shelter and program housing to permanent, independent housing.

Implementation 5.3.1: Continue to support efforts by local non-profits to expand transitional and temporary housing units in the City, and provide funding support to agencies which serve the homeless.

Implementation 5.3.2: Provide for the operation of transitional housing in multi-family and commercial zone districts.

POLICY 5.4: Provide flexible zoning and development standards appropriate to support temporary housing for families of patients being treated by local hospitals ("Ronald Mc Donald House").

HISTORIC PRESERVATION

There are a large number of homes in the City that were constructed at the turn of the century following the first subdivision of land in the 1870's. Many of these historic structures are in well-defined districts identified in the Historic Preservation Element. The importance of preserving the past is underscored in the following goal and policy that calls for continued efforts in preserving those structures deemed historically significant by the community.

GOAL 6.0: **The City will continue to sponsor programs that heighten community awareness for preservation of historically significant residential structures.**

POLICY 6.1: Encourage the appreciation for and preservation of the City's heritage in the form of those structures identified in the City's historic structure inventory as historically significant.

Implementation 6.1.1: Implement the goals and objectives contained in the General Plan Historic Preservation Element.

Implementation 6.1.2: Continue to enforce the Historic Preservation Design Standards for Old Towne as they apply to residential dwellings.

FAIR HOUSING PROGRAMS

Housing should be made available to all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, physical disability, or income. The City will support Statewide housing goals that call for equal opportunity for all groups to obtain safe, decent, and affordable housing.

GOAL 7.0: The City will support programs that promote fair housing opportunities for all residents of Orange.

POLICY 7.1: Promote equal opportunity for housing throughout the City of Orange.

Implementation 7.1: Provide funding support to a Fair Housing Agency which investigates and resolves cases of housing discrimination, provides tenant/landlord dispute resolution, and provides fair housing education and outreach.

ENERGY CONSERVATION

The City of Orange recognizes its responsibility in promoting energy conservation efforts in the construction of new housing and the rehabilitation of existing units. Energy conservation serves to reduce energy costs, and therefore overall housing costs.

GOAL 8.0: The City will encourage energy conservation in residential construction.

POLICY 8.1: Encourage energy conservation measures for all residential rehabilitation projects in which the City participates financially.

POLICY 8.2: Implement all applicable State statutes and regulations intended to achieve conservation of energy.

Implementation 8.2.1: Provide all participants in the City's Housing Rehabilitation Program with information on energy conservation, and encourage participants to contact the appropriate utility company to arrange an energy audit.

Implementation 8.2.2: Review all building permit applications to enforce applicable statutes and regulations that relate to energy conservation.

RELATED GENERAL PLAN POLICIES

A number of goals, policies, and implementation measures contained in the other elements of the City's General Plan address those issue areas identified in the Housing Element. Table H-1, Housing Element Policy Matrix, identifies General Plan goals directly or indirectly related to those included in the Housing Element.

TABLE H-1
HOUSING ELEMENT POLICY MATRIX

Issue Area	Land Use	Circulation	Open Space & Conservation	Safety	Noise
Housing Maintenance and Upgrading	1.0, 5.0, 6.0 7.0, 8.0		6.0		1.0
Housing Affordability	5.0, 8.0				
Housing for Residents With Special Needs	5.0, 8.0, 12.0				
Historic Preservation	5.0, 6.0, 7.0	2.0	6.0		
Fair Housing Programs	5.0, 8.0 12.0				
Energy Conservation	5.0		1.0		

This table illustrates the internal consistency of the General Plan by indicating which goals in the other five elements emphasize goals and policies set forth in the Housing Element.

HOUSING CONTEXT

Assuring the availability of adequate housing for all social and economic segments of the City's present and future population is a primary goal of the Housing Element. This section of the Housing Element provides a summary of the community's housing needs, evaluates the City's ability to fulfill its share of regional housing growth needs, and evaluates the City's progress in implementing the existing 1993 Housing Element.

SUMMARY OF HOUSING NEED

The following section summarizes key housing needs as identified through the needs assessment process. Appendix B of the Element contains the Housing Element Technical Report from which this summary is drawn. The summary of needs is organized into four issue areas: housing availability, housing adequacy, housing affordability and special needs households. These needs are also summarized in Table H-2 below.

TABLE H-2
EXISTING HOUSING NEEDS

Housing Availability		**Housing Affordability**	
Total Overcrowded Households	3,759	Total Overpaying Households	14,024
Renters	2,990	Lower Income Renters	5,641
Owners	768	Lower Income Owners	2,184
Housing Adequacy		**Special Needs Households/Persons**	
Housing Conditions		Elderly Households	5,701
Rehabilitation	1,245	Disabled Persons	2,357
Replacement	0	Large Households	5,305
		Female-headed Households w/Children	3,998
		Farmworkers (persons)	891
		Homeless (persons)	170

Note: Numbers may not add due to rounding.
Sources: 1990 Census; Orange 2000-2004 Consolidated Plan; SCAG Draft RHNA, Nov 1999.

Housing Availability

Orange has a current (2000) housing stock of 41,624 units, the majority (67 percent) of which consists of single-family houses. Multi-family housing projects comprise the second largest component (29 percent) of the housing stock, with the remaining four percent comprised of mobile homes. During the period from 1990 to 2000, Orange experienced a ten percent increase in housing units. Sixty percent of the households in Orange own their homes, while the remaining forty percent of households are renters.

During the late 1990s, the housing market in Orange, like much of Orange County, again became active. Over 950 homes and condominiums were sold in the City between January 2000 through August 2000. Over 65 percent of the units sold were single-family homes with a median sales price for a three-bedroom unit of approximately $256,000. The median price for a two-bedroom condominium was reported at approximately $160,000. With the first phase of the East Orange General Plan now becoming active,

the City will begin experiencing more significant single- and multi-family housing growth.

Rents for an apartment in Orange ranged from $700 a month for a studio to $1,215 a month for a three-bedroom apartment (1999). Rents for privately owned condominiums and single-family homes even are higher. With the increasingly tight rental market and healthy economy, the rental rates in Orange are expected to increase, reducing the number of units affordable to lower income households.

Overcrowding is another indicator of housing availability. The Census defines overcrowding as households with greater than 1.01 persons per room, excluding kitchens, bathrooms, and porches. According to SCAG, there are 3,759 overcrowded households in Orange (9.4 percent of all households). While apartment units comprise only one-third the Orange housing stock, approximately 80 percent of the overcrowded households are renters.

Housing Affordability

According to SCAG, approximately 35 percent of households in Orange are overpaying for their housing (spending greater than 30 percent of income on housing cost). Like overcrowding, overpayment is more concentrated among the City's renter households, with 44 percent of renter households overpaying in comparison to 30 percent of owner households. Lower income households also experience a greater incidence of overpayment, with 48 percent of lower income renters overpaying for housing.

As a means of assessing the affordability of the current housing market in Orange, housing sales and rentals can be compared with household incomes. With a 2000 median sales price of approximately $256,000 for a three-bedroom single-family home, only moderate income households can afford to purchase an adequately sized single-family home in Orange. Low income households are able to afford some smaller and older homes and condominiums (median price of $97,250 for a one-bedroom). However, low income households may not be able to afford the downpayment required to qualify for a mortgage, and may be forced to overpay for housing or live in overcrowded conditions.

In terms of the affordability of rental housing, low and moderate income households can afford all apartment rental options available in Orange. However, very low income households are unable to afford adequately sized units, thereby resulting in unit overcrowding and/or overpayment.

The City has played an active role in the provision of affordable housing, and has approximately 1,153 publicly-assisted low income rental units within the City limits. Almost half of these assisted units are dedicated to seniors, reflecting the City's significant and growing senior population, with the remaining half available to lower income families. Within six projects, there are 464 assisted units that may be at-risk of conversion to market rate housing by the year 2010.

Housing Adequacy

In general, when housing reaches 30 years in age, major rehabilitation improvements begin to become necessary. Over half the City's housing units were built before 1970 and are over 30 years old. This represents a significant proportion of the housing stock. Continued maintenance of the housing stock will be achieved through code enforcement action to correct deficiencies, as well as independent property owner action to upgrade aging structures.

In 2000, City code enforcement staff identified areas within Orange with problem housing, including substandard housing, delayed maintenance, overcrowding, zoning violations, illegal conversions, and inoperable vehicles. These areas are identified in Figure 1 of the Housing Element Technical Background Report. According to the City's 2000 – 2004 Consolidated Plan, approximately 745 single-family and 500 multi-family housing units in Orange are in need of major rehabilitation.

Special Needs

Certain segments of the population may have more difficulty in finding decent, affordable housing due to their special needs. These special groups, as defined by State housing element law, include the elderly, disabled, large households, female-headed households, farmworkers, and the homeless.

Elderly

The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. In 1990, 5,701 (16 percent) of the City's households were headed by elderly persons age 65+. This proportion has likely increased as persons in their 50's have aged in place. Of the City's elderly households, approximately one-third are renters, and are faced with significant housing affordability needs in the rising rental market. The City contains approximately 585 assisted rental units for lower income seniors within nine developments, each with long waiting lists.

Disabled Persons

Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. The County of Orange Health Care Agency estimated that in 2000 approximately 3,800 persons in Orange have some type of mental illness. The 1990 Census indicates that approximately six percent of Orange's population has some form of work or mobility disability. Elderly individuals with transportation disabilities comprised over forty percent of the City's disabled population.

Large Households

Large families are identified as a group with special needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, and may live in overcrowded smaller dwelling units, which accelerates unit deterioration. According to the 1990 Census, more than 14 percent (5,305

households) of the households in Orange were large families (i.e. comprised of five or more members), of which approximately half were renters. Of the large family renter households, approximately 85 percent experienced one or more housing problems, including overcrowding, overpayment, or substandard housing conditions.

Female-Headed Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. In particular, female-headed households with children tend to have lower incomes than other types of households, a situation that limits their housing options and access to supportive services. Orange had almost 4,000 female-headed families in 1990, accounting for 11 percent of all households in the City. Almost 12 percent of these households had incomes which fell below the poverty level.

Farmworkers

The 1990 Census indicates that less than one percent (891 persons) of Orange's residents were employed in agriculture, fishing, and forestry. Due to Orange's urban setting and nominal rural farmworker population, housing needs for farmworkers can generally be addressed by overall programs for housing affordability.

Homeless

According to the 1990 Census, there were 159 individuals in homeless shelters in Orange and an additional 11 homeless persons visible on the street. The Orange Police Department confirms that there are no more than a dozen visible homeless in Orange at any given time. Orange County Interfaith Shelter reports serving 250 unduplicated homeless in 1999 with their last address identified as Orange, over 60 percent of whom were children. Six homeless facilities within the City offer temporary housing for women and children, though there are no facilities in the vicinity serving homeless men.

RESIDENTIAL SITES ANALYSIS

An important component of the Orange Housing Element is the identification of sites for future housing development, and evaluation of the adequacy of this site inventory in accommodating the City's share of regional housing growth as determined by SCAG. A comprehensive assessment of the City's residential site availability is contained in the Housing Element Technical Report (Appendix B). The following summarizes the conclusions of this analysis.

Share of Region's Housing Needs (RHNA)

State law requires jurisdictions to provide for their share of regional housing needs. As part of the RHNA, the SCAG determines the five year housing growth needs for municipalities within its jurisdiction, which includes the City of Orange. In Orange County, the Orange County Council of Governments (OCCOG) was delegated responsibility for developing the RHNA in coordination with the cities and the County. Future housing needs calculations reflect the number of new units needed in a jurisdiction based on households that are expected to reside within the jurisdiction (future demand), plus an adequate supply of vacant housing to assure mobility and new units to replace losses.

The draft RHNA adopted by OCCOG and SCAG has identified a 1998-2005 future housing need for Orange of 3,205, including 1,030 lower income units. Table H-3 (2nd column) shows the income breakdown of these 3,205 units.

Housing units constructed and issued certificates of occupancy since January 1, 1998 can also be counted toward fulfilling the RHNA for this Housing Element cycle. According to the City, a total of 908 dwelling units were constructed between January 1, 1998 and April 2000, leaving the City with a remaining RHNA of 2,297 units (Table H-3, 3rd column). Of these newly constructed units, 87 are within a market rate senior rental project renting at levels affordable to moderate income households. A luxury apartment complex has been also been constructed on a prior shopping center site, the 281-unit Meridian Apartments at Town & Country, with rents in the moderate income range. Finally, 169 attached single-family homes were developed during the same period at levels affordable to moderate income households, and 371 detached single-family homes were developed for above moderate-income households.

TABLE H-3
REGIONAL HOUSING GROWTH NEED BY INCOME GROUP

Income Group	Total RHNA (1/1/98-6/30/2005)	Housing Units Constructed	RHNA Remaining	Density Guidelines	Site Inventory Feasible Units Capacity
Very Low Income	635	0	635	≥20 units/acre	969 – 1,319 [1, 2]
Low Income	395	0	395		
Moderate Income	657	537	120	≥8 units/acre	512 [3]
Above Moderate Income	1,518	371	1,147	less than 8 units/acre	2,391 [4]
Total	3,205	908	2,297		3,872-4,222 [1, 5]

[1] Range is due to the estimated 500-850 village residential units in Uptown Orange Strategy Plan Area.
[2] Capacity includes Sites 3, 7, 8, 10, 17 low inc. units on Site 11, 12, 13, and 380 MDR apts on Site 14.
[3] Capacity includes Sites 1, 2, 50 market units on Site 11, 177 MDR condos on Site 14, and 200 MF units on Site 15.
[4] Capacity includes Sites 4, 5, 6, all LDR and LMDR on Site 14, 900 SFD units on Site 15, and Site 16.
[5] The feasible units capacity does not include Sites 9, A and B.

Source: City of Orange, 2000.

Residential Development Potential Compared with Regional Housing Needs

The residential sites analysis contained in the Technical Report identifies residentially zoned sites adequate to accommodate 3,872-4,222 new units, including a mix of both single-family and higher density multi-family development. Based on the analysis contained in the Housing Element Technical Report, residential sites can be assigned to the RHNA income categories based on the following general development density and affordability guidelines:

- Lower Income - min. 20 units per acre
- Moderate Income - min. 8 units per acre
- Above Moderate Income - less than 8 units per acre

As indicated in Table H-3, the City has provided zoning at appropriate densities to accommodate approximately 970 to 1,320 new lower income units. Very low income housing will require some form of subsidy regardless of density, and based on the four Redevelopment Agency assisted projects currently coming on-line, the City already has 44 new very low income units in the pipeline. Additional very low income units will likely be provided through density bonuses, through future Redevelopment Agency assisted projects, and through regulatory, density and financial incentives to be offered in Uptown Orange. The City has also provided for the development of over 510 units at densities which should offer affordability to moderate income households, well exceeding the remaining RHNA of 120 moderate income units.

While not resulting in the construction of new lower income housing, the City's

acquisition and rehabilitation program also provides for additional housing opportunities for very low and low-income households. The two acquisition and rehabilitation projects currently under development in Orange, will result in the restriction of 47 units for rent to low and very low-income households. These are not included in the Table H-3 as part of the vacant sites survey.

SUMMARY OF PAST HOUSING ACCOMPLISHMENTS

State Housing Element law requires communities to assess their achievements under adopted housing programs as part of the five-year update to their housing elements. These results should be quantified where possible (e.g. rehabilitation results), but may be qualitative where necessary (e.g. mitigation of governmental constraints).

The following section summarizes Orange's past housing success by comparing the issue areas and housing programs identified in the 1993 Housing Element to the amount of housing or assistance actually provided. The continued appropriateness of each program for the updated 2000-2005 Housing Element is then evaluated and tailored to fit the changing conditions in Orange as needed.

ISSUE 1: CONSERVING AND IMPROVING EXISTING AFFORDABLE HOUSING

Housing Rehabilitation Programs (1993 Program #1)

Assistance for the City of Orange Home Improvement Programs is allocated from Federal Community Development Block Grant funding and Orange Redevelopment Agency 20% Housing Set-Aside funds. Senior citizens are encouraged to apply. The following programs are available: 6% Low Interest Loan Program (LIL), Deferred Payment Loan Program (DPL), and Homeowner Participation Program (HOPP).

1993 Housing Element Goal: Provide rehabilitation/home improvement assistance to 100 households in five years, or 20 households annually, through various Home Improvement Programs.

Accomplishments: Between fiscal year 89/90 through 99/00, Orange provided rehabilitation/home improvement assistance to 155 income-eligible households, or approximately 14 households annually. An additional $250,000 in funding has been budgeted for fiscal year 2000/01, to provide 25 households with rehabilitation/home improvement assistance. Given the age of the City's housing, it is important for the City to continue to provide rehabilitation/home improvement assistance to qualifying households.

Rental Rehabilitation Program (1993 Program #1)

HUD Section 17 funding previously used for this program has been discontinued.

1993 Housing Element Goal: Study the potential use of Redevelopment Housing Set-Aside funds to support future rental rehabilitation efforts.

Accomplishments: Currently, Orange uses Redevelopment Housing Set-Aside funds to assist project-specific rental rehabilitation activities. Since 1989, the Orange Redevelopment Agency has provided financial assistance for the acquisition and

rehabilitation of Citrus Village, a 47-unit project with 22 affordable units; Villa Santiago, a 255-unit affordable apartment complex; Plaza Gardens Apartments, a 56-unit affordable project; Orange Garden Apartments, a 24-unit affordable complex; Adams Triplex I, II, and III, three triplexes with a total of nine affordable units; and Rose Avenue Apartments, a 6-unit affordable project. Rehabilitation of existing rental units remains an important goal of the City to stabilize neighborhoods and improve living conditions among the City's renters.

Enforcement of Uniform Housing Code/Code Enforcement Grant Program (1993 Program #1 and #2)

The Code Enforcement Grant Program was created to assist those homeowners cited for code violations with insufficient income to repair deficiencies. Homeowners were assisted with a grant to bring property into compliance with City code requirements. The maximum grant was $5,000 and there was no repayment required providing homeowners did not exceed Level 3 income guidelines.

1993 Housing Element Goal: Complete 300 housing inspections per month.

Accomplishments: The current level of residential code enforcement activities is estimated at approximately 164 housing inspections per month (including property maintenance and substandard housing). The number of inspections is dependant on the number of available staff and code complaints received. Orange has formed the NET program which consists of staff from a variety of departments and works to eradicate blight. The NET program occurs four times a year and targets specific areas in Orange that have been identified as blighted areas. The City is also in the process of hiring an additional code enforcement officer to expand residential code enforcement efforts.

Orange discontinued the Code Enforcement Grant Program in fiscal year 1996/97 as households cited with code violations were primarily upper income. To ensure that the City's limited funding targeted lower income households, the Code Enforcement Grant Program was discontinued and the available funding reallocated to other programs, such as rehabilitation of affordable rental units, that do support lower income households.

Conservation of Existing and Future Affordable Housing (1993 Program #3)

The 75-unit Casa Ramon was identified as a prepayment-eligible project at risk of converting to market rate housing during the 1993 Housing Element planning period.

1993 Housing Element Goal: Conserve the long-term affordability of existing and future units in Orange.

Accomplishments: Orange has worked with the owners of this project to ensure its continued affordability. A partnership of the Orange Housing Development Corporation and Related Capital acquired the project in July 2000. As a tax credit funded project, the units have a 55-year affordability term. The project is no longer considered to be at-risk.

In addition to working with the owners of Casa Ramon, the City also worked with the owners of the Palmyra Apartments, a privately-owned complex at-risk of losing affordability convenants on 20 units in 2007. This project was originally funded with mortgage revenue bonds. The City worked with the owner to refinance the existing bonds, but the property owner chose to utilize private financing because it was more economically feasible. The City will continue to work with the owner of this project to ensure the continued affordability of the 20 at-risk units.

Mobile Home Park Rental Assistance Program (1993 Program #4)

Orange assists very low income, senior mobile home park residents by providing a monthly subsidy payment to bridge the gap between 30 percent of household income and monthly housing costs.

1993 Housing Element Goal: Continue to offer rental assistance to at least 25 income-eligible mobile home occupants.

Accomplishments: In fiscal year 1989/90, mobilehome assistance was provided to 50 households. As current tenants leave the program, the rent subsidies are phased out and the number of households assisted by this program decreases. Orange presently provides $50,000 in annual funds to operate this program and assists 10 households.

Section 8 Rental Assistance/Vouchers (1993 Program #5)

The City of Orange contracts with the County of Orange Housing Authority (OCHA) to administer the federally-funded Section 8 Rental Assistance program.

1993 Housing Element Goal: Provide Section 8 rental assistance to 496 households and continue to pursue additional Section 8 allocations.

Accomplishments: According to information from the OCHA, a total of 570 households (as of April 2000) were receiving rental housing assistance payments. Of these households, 133 were elderly, 83 were disabled, and 354 were families. There were 335 households on the waiting list. Of these, 68 were elderly, 62 were disabled, and 205 were families. The estimated waiting period to receive Section 8 assistance is one to four years. Orange will continue to support the Section 8 rental assistance program and support OCHA's applications for additional Section 8 allocations.

Home Sharing Program (1993 Program #6)

Orange's Senior Center operates a home sharing/home finding service intended to match lower-income, single householders with similar persons seeking to share housing costs. This service benefits the elderly in particular by allowing them to reduce housing costs and to have another person in a home who may help meet the special physical needs of the elderly. Orange's Shared Housing Program is administered by the Orange Senior Center through one part-time employee provided through the Senior Training for Employment Program (STEP).

1993 Housing Element Goal: Advertise the shared housing program through placement of program brochures in key locales throughout the community and make at least 12 matches per month.

Accomplishments: The program was temporarily discontinued two to three years ago when the program administrator left the position. According to staff records, prior to the termination of the program, 106 matches were made during the 12-month period between March 1995 and February 1996, or about 9 matches per month. The program was recently reinitiated in April 2000, and since then 14 home providers, 26 room seekers, and five apartment seekers have signed up for the service. Because the program was inactive until recently, participation is low, but increased public awareness of the program will increase the number of participants. Orange will continue to support the Shared Housing Program and assist in increasing the public awareness of the program.

Reverse Mortgage (1993 Program #7)

A fixed-term reverse mortgage allows older homeowners the opportunity to borrow against their home equity. Typically, the loan is repaid at the time the property is sold.

1993 Housing Element Goal: Continue to coordinate with lending institutions and inform senior residents of the reverse mortgage programs available. Continue to provide technical assistance to interested seniors.

Accomplishments: This program has been terminated due to low participation level, and concerns regarding the City's involvement in advising seniors to "cash-in" on their home equity.

First Time Homebuyer Program (1993 Program #8)

Orange offers deferred payment loans for first time homebuyers.

1993 Housing Element Goal: Continue to utilize Redevelopment Housing Set-Aside funds to support this program in the amount of $200,000 per year.

Accomplishments: Between 1989 and February 1996, Orange allocated $1,800,000 in Redevelopment Housing Set-Aside funds to provide deferred interest loans for first time homebuyers. A total of 125 households were assisted, for a total loan amount of

$2,203,727. Funding was not allocated for the program during 1997-8 and 1998-9 due to declining participation. Due to an increased number of inquiries, the program was reinstated in fiscal year 1999/2000. The Redevelopment Agency allotted $675,000 in funding for this program in Fiscal Year 1999/2000. The Redevelopment Agency will continue to promote the First Time Homebuyers program to increase the number of households assisted by the program.

Senior Housing (New Program)

Within Orange, approximately 586 units in nine affordable, publicly-assisted projects are restricted for rental to seniors with low and very low incomes, as shown in Table H-4. Orange also contains hundreds of older apartments and mobile homes, which have historically been available to seniors at affordable rents, but which may not adequately address the accessibility needs of seniors. The City has worked to provided additional affordable senior housing units and preserve those existing projects.

TABLE H-4
ASSISTED SENIOR HOUSING PROJECTS

Project	Address	Total Units	# of Restricted Units
Community Garden Towers	3919 Garden Grove Blvd.	210	210
Garden Tower West	4001 Garden Grove Blvd.	122	122
Triangle Terrace	555 S. Shaffer	75	75
Orchid Gardens	1051 N. Glassell	33	17
Pixley Arms	537 W. Almond Ave.	15	15
Harmony Creek Apartments	1616 E. Rock Creek Dr.	83	83
Alice Clark Orange Blossom Apt.	141 E. Walnut Ave.	4	4
Fairway Manor/Chestnut Place	1745 E. Fairway Dr.	50	50
Palmyra Apartments	301 S. Glassell	50	10

Accomplishments: Between 1989 to the present, Orange assisted with the construction or acquisition/rehabilitation of the following senior projects: Fairway Manor/Chestnut Place (50 affordable units); Pixley Arms (15 affordable units); Alice Clark Orange Blossom Apartments (4 affordable units); and Harmony Creek Apartments (83 affordable units). Given the City's growing senior population, the City will continue to support the development of rental housing targeting elderly residents.

ISSUE 2: PROVISION OF ADEQUATE HOUSING SITES

Land Use Element/Zoning Ordinance (1993 Program #9)

It was the City's intent to achieve adequate housing sites that offer a range of housing types and styles through planning and regulatory changes to the Land Use Element and Zoning Ordinance to fulfill the City's RHNA. The City's RHNA for the 1989-2000 element cycle was 3,857 units, with 650 units for very low, 877 for low, 824 for moderate, and 1,505 for upper income households.

1993 Housing Element Goal: Provide zoning at appropriate densities which will provide the opportunity for developers to help fulfill the City's share of regional housing needs. Initiate efforts to amend the General Plan to include a Medium High Density category that would allow densities of 25 to 36 units per acre.

Accomplishments: As part of the 1993 Housing Element update, Orange evaluated the availability of sites to address regional housing needs, and was successful in identifying adequate sites zoned at appropriate densities to fulfill its needs. Staff discussions with City electorate have indicated that creation of a Medium High Density category would not be an appropriate strategy for Orange, and that higher density development will be focused in Mixed Use areas and in the East Orange area. Orange did adopt an Affordable Housing Ordinance that allows for density bonuses and other concessions for affordable housing projects. In addition, through the Consolidated Plan effort, Orange has evaluated its housing needs and has established acquisition and rehabilitation as a priority housing strategy. Orange has a large stock of older apartment complexes in substandard condition, and is focusing on public/private partnerships for acquisition and rehabilitation of such structures as a cost-effective way of providing affordable housing.

Despite the recession, the City made significant progress in addressing its regional housing needs during the prior planning period as shown in Table H-5. A total of 3,397 housing units were constructed between June 1989 and December 1997, representing 88 percent of the City's allocated RHNA. Specifically, the City provided 147 very low income units, 637 low income units, and 713 moderate income units (or 64 percent of the RHNA for low and moderate income households). Based on average sales and rental costs in Orange, single-family detached units were all placed in the upper income category, 2/3/4-plexes and attached single-family units in the moderate income category, and apartments in the low income category. Five affordable deed restricted projects (Fairway Manor/Chestnut Place, Alice Clark Apartments, Harmony Creek, Pixley Arms, and Walnut Court) were developed during this period and provided 147 very low and 12 low income units.

TABLE H-5
1989-1997 RHNA ACCOMPLISHMENTS

Income Category	1989-1997 RHNA Goal	1989-1997 Accomplishments	% of RHNA Achieved
Very Low	650	147	23%
Low	877	637	73%
Moderate	824	713	86%
Upper	1,505	1,900	126%
Total	3,857	3,397	88%

The primary reason that Orange fell slightly below its RHNA was the recession and poor economy in the early and mid-1990's which slowed the production of housing throughout Southern California. In addition, the slow economy resulted in The Irvine Company deciding not to develop the East Orange General Plan area located Orange's Sphere of Influence, which the City was going to annex. Now that the economy has improved, The Irvine Company is proceeding with development plans for the East Orange area and is working with the City of Orange on a phased annexation of this area into the City.

Multiple Family Development Sites (1993 Program #10)

A specific plan for the Santa Fe Depot Area was in progress during the 1993 Housing Element Update. This specific plan covers a 43-acre area surrounding the Santa Fe Depot, where a commuter rail stop is now in service. The 10-acre site (Anaconda Manufacturing properties) adjacent to the Santa Fe Depot is identified in the 1993 Housing Element as suitable for multi-family housing development.

Two shopping centers "Town and County" and "The City" are identified in the 1993 Housing Element as potential sites for mixed-use development of commercial and low and moderate income housing uses. These two sites were zoned for Commercial Mixed-Use developments.

1993 Housing Element Goal: Pursue relocation of the Anaconda Manufacturing properties and make Redevelopment funding and relocation assistance to owners. Investigate the possibility of cooperating with the property owners of "Town and Country" and "The City" (now "The Block") shopping centers to initiate future housing projects in conjunction with other multi-use facilities.

Accomplishments: the City has adopted the Santa Fe Depot Area Specific Plan which sets out design guidelines and development standards for the area. The adopted specific plan does not include the area north of Maple, where the proposed residential development was to be located. As a result, the Anaconda Manufacturing properties are still zoned for industrial uses. The City Council is interested in considering alternative plans for residential development in this area, but the owners of the property have not approached the City with any residential development proposals.

An upscale apartment complex was developed in the Town & Country/The Block area. The Meridian Apartments was built at a density of 56 units per acre, and offers 281 rental units renting at levels affordable to moderate income households.

Site Suitability Criteria (1993 Program #11)

Low and moderate income housing should be developed on sites which are adequate and suitable for such development.

1993 Housing Element Goal: Continue to utilize the California Environmental Quality Act (CEQA) process to evaluate the suitability of housing sites for affordable housing developments.

Accomplishments: City Planning staff will continue to use CEQA as well as site locational criteria for low income housing such as accessibility to public transit and services, in reviewing affordable housing projects.

ISSUE 3: ASSIST IN DEVELOPMENT OF AFFORDABLE HOUSING

Sites for Homeless Shelters/Transitional Housing (1993 Program #12)

The 1990 Census reported a total of 170 homeless persons in Orange, of which 159 were located within homeless shelters.

1993 Housing Element Goal: Continue to support efforts by non-profits to expand the transitional and temporary housing units with support services in Orange. Investigate the possibility of City use of the Shelter Plus Care program which links supportive services to rental assistance for homeless persons with disabilities and their families.

Accomplishments: Staff from Orange have attended trainings regarding the Shelter Plus Care program and has determined that such a program is a more appropriate source of funding for non-profit organizations than for Orange itself. However, Orange will support non-profit organizations seeking such funding. As part of Orange's Consolidated Plan, the City has established CDBG funding support for non-profit homeless and social service agencies serving Orange as a priority strategy to assist the homeless. Orange will continue to implement the Consolidated Plan on an annual basis.

Affordable Housing Plan (1993 Program #13)

Preparation of an Affordable Housing Plan to identify a comprehensive program to provide adequate housing for all residents of the City of Orange.

1993 Housing Element Goal: Finalize and implement Affordable Housing Plan.

Accomplishments: Orange adopted the Affordable Housing Plan in 1994. Under the plan, affordable housing projects usually receive a density bonus and other concessions. Senior housing projects are generally provided additional concessions. The specific concessions awarded to an individual project are decided by the City Council once it has reviewed the project and the specific concessions requested. Orange will continue to implement the Affordable Housing Plan to encourage the development of affordable housing.

Affordable Housing Ordinance/Density Bonus (1993 Program #14)

As part of the 1993 Housing Element, Orange was considering adoption of an "Affordable Housing Ordinance" and a "Density Bonus Ordinance" to provide incentives for development of affordable housing projects.

1993 Housing Element Goals: Develop a Density Bonus Ordinance and an Affordable Housing Ordinance which will define "additional regulatory concessions" to be offered. Adopt a revised Zoning Ordinance to establish density bonus criteria, second unit criteria and provisions for Single-Room Occupancy (SRO) housing.

Accomplishments: Orange has revised the Zoning Ordinance and adopted the Affordable Housing Ordinance in 1993. Since 1989 the City has provided density bonuses to a number of affordable and senior housing developments, including Pixley Arms, Harmony Creek Apartments, Orchid Gardens, and Chestnut Place. Several projects which are currently under construction or in the planning stages have also been awarded density bonuses through the revised Zoning Ordinance, including the La Plata Senior Housing and Creekview Senior Community projects. The standards for Single-Room Occupancy (SRO) housing were not adopted as part of Zoning Ordinance revision process, and are no longer considered an appropriate program for the City. Orange will continue to provide density bonuses and/or concessions to affordable housing projects consistent with the Zoning Ordinance.

Land Assemblage and Write-Down (1993 Program #15)

Orange can utilize CDBG, HOME and Redevelopment Housing Set-Aside funds to write-down the cost of land for development of low and moderate income housing.

1993 Housing Element Goal: Pursue development of affordable housing on two sites through land write-down assistance.

Accomplishments: The Orange Redevelopment Agency provided assistance to Orange Housing Development Corporation (OHDC) in the development the seven-unit Walnut Court for family housing and the 15-unit Pixley senior housing complex. Assistance was provided in the form of land assemblage. Target tenants for both projects are households earning less than 45 percent of the County median income. The Redevelopment Agency will continue to assist developers of affordable housing, utilizing land assemblage if applicable.

Mortgage Revenue Bond Financing (1993 Program #16)

Tax-exempt bonds can be issued to provide funds for construction and mortgage loans to encourage development of affordable rental housing.

1993 Housing Element Goal: Encourage prospective developers to take advantage of available bond financing through the County of Orange.

Accomplishments: To encourage affordable housing development, the City issued $13 million in revenue bonds for the acquisition and rehabilitation of the 255-unit Villa Santiago project. The Palmyra Apartments were also originally financed through multi-family mortgage revenue bonds issued through the Orange Redevelopment Agency. As discussed previously, Orange worked with the owners of the complex to refinance the bonds, but private financing was more economically feasible. Mortgage Revenue Bond financing is included in the Housing Element Technical Report as a potential financial resource for the provision of affordable housing.

Non-Profit Housing Development Corporation (1993 Program #17)

OHDC is a non-profit housing developer based in the City of Orange. Start-up costs to establish OHDC were funded through Orange's Housing Set-Aside funds.

1993 Housing Element Goal: Support the efforts of non-profit organizations and citizen groups to facilitate the provision of low cost housing.

Accomplishments: OHDC is a non-profit housing developer based in the City of Orange. Start-up costs of $400,000 to establish OHDC were funded through the City's redevelopment Housing Set-Aside funds. OHDC has constructed or rehabilitated a total of 914 units in California since 1992 including 224 units within the City of Orange; and currently has an additional 10 units within the City of Orange in predevelopment, including Villa Modena, a 5-unit project for large families. OHDC recently purchased and will rehabilitate Casa Ramon (75 units), the Wilson Avenue Apartments (20 units), and the Esplanade Street Apartments (27 units). Affordable housing projects completed by OHDC within Orange include: Chestnut Place/Fairway Manor (50 units); Harmony Creek (83 units); Adams I, II and III (9 units); Rose Avenue (6 units); Alice Clark Orange Blossom (4 units); Parker Apartments (3 units); Pixley Arms (15 units); and Walnut Court (7 units). Orange will continue to work closely with OHDC, as well as other housing non-profits, to support their efforts to provide affordable housing for the residents of Orange.

Pursue Affordable Housing Funding Sources (1993 Program #18)

A variety of federal and state funding sources are available for affordable housing development.

1993 Housing Element Goal: Pursue the possibility of forming a consortium with other communities in Orange County to apply for HOME funds and other funding sources.

Accomplishments: Orange has become a participating jurisdiction to receive HOME funds directly from HUD. Orange receives approximately $470,000 annually in HOME funds from HUD and will continue to use these funds to help provide additional affordable housing opportunities.

ISSUE 4: REMOVE GOVERNMENTAL CONSTRAINTS

Zoning Ordinance (1993 Program #19)

The City of Orange Zoning Ordinance specifies the standards for the development of residential properties in Orange and limits density to the maximums set forth in the Land Use Element.

1993 Housing Element Goal: Continue to monitor the Zoning Ordinance to ensure that the standards do not excessively constrain affordable housing development. Adopt a revised Zoning Ordinance that would establish density bonuses, second unit criteria, and provisions for Single Room Occupancy housing.

Accomplishments: Refer to accomplishment discussion for Program #9, Land Use Element/Zoning Ordinance.

Development Fees (1993 Program #20)

Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities. However, these fees can contribute substantially to the cost of housing and constrain affordable housing development.

1993 Housing Element Goal: Study the feasibility of granting a partial fee waiver for projects with units set-aside for lower income households.

Accomplishments: While Orange has not adopted a fee waiver program, certain projects have received a fee reimbursement from the Redevelopment Agency. The Redevelopment Agency completes a project by project review to determine if specific development projects qualify for a fee reimbursement. Projects that do qualify must enter into an affordable housing agreement with the Redevelopment Agency to ensure the affordability of assisted units. The Redevelopment Agency will continue to review affordable housing projects on a one-by-one basis to determine whether they qualify for a fee reimbursement.

Expedited Project Review and Hearing Process (1993 Program #21)

Delays in the project review and hearing process can contribute to the cost of housing.

1993 Housing Element Goal: Continue to implement a one-stop process for development review. Study methods to streamline the hearing process for affordable housing projects.

Accomplishments: Orange continues to implement an up-front, one-step, interdepartmental review process to assist applicants in identifying issues early at the conceptual planning stage, prior to the development of detailed, construction plans. The Staff Review Committee provides developers with a single point of initial contact. Currently this process allows projects to reach Planning Commission in two months. Based on the constraints imposed by state legislated time requirements for project review, there is little additional project expediting that Orange can implement to reduce the time required for project review.

ISSUE 5: PROMOTE EQUAL HOUSING OPPORTUNITY

Fair Housing (1993 Program #22)

Orange contracts with the Fair Housing Council of Orange County to provide fair housing services to its residents.

1993 Housing Element Goal: Continue to ensure open housing practices for all residents.

Accomplishments: Between July 1994 through June 2000, the Fair Housing Council of Orange County assisted clients with approximately 3,000 landlord/tenant dispute resolutions and approximately 160 clients with housing discrimination complaints. Orange will continue to contract with a fair housing group to ensure that fair housing complaints are addressed and resolved.

HOUSING PROGRAMS

The goals and policies contained in the Housing Element address Orange's identified housing needs and are implemented through a series of housing programs. Housing programs define the specific actions Orange will take to achieve specific goals and policies. The summary at the end of this section (Table H-4) specifies for each program the following: five year objective, funding sources, and agency responsible for program implementation.

The City of Orange's overall housing program strategy for addressing its housing needs has been defined according to the following issue areas:

- X Conserving and improving the condition of the existing stock of affordable housing.
- X Providing adequate sites to achieve a variety and diversity of housing.
- X Assisting in the development of affordable housing.
- X Removing governmental constraints as necessary.
- X Promoting equal housing opportunity.

Conserving and Improving Existing Affordable Housing

Housing rehabilitation includes major efforts to improve property, and physical alterations to structures aimed at converting the type or number of units. The goal of housing preservation is to protect the existing quality and investment in housing to avoid a degree of physical deterioration that will require a larger rehabilitation effort to restore quality and value. The accepted standard for major housing improvement needs is after 30 years. In 2000, approximately 53 percent of Orange's housing units were over 30 years old, indicating the potential need for rehabilitation and continued maintenance of half of the housing based on age alone.

In addition to rehabilitation efforts, the City has established conservation of the existing stock of affordable housing as a high priority. Conservation programs contained in the Element include programs to monitor units at risk of converting to market rate and direct assistance to ensure continued subsidies; Section 8 rent subsidies; and shared housing.

1. Single Family Rehabilitation

The Rehabilitation Program represents a major effort to maintain and improve the aging housing stock. The program provides financial assistance to property owners applying for home improvement loans, and is funded through CDBG funds. The City increases the financing power of these public funds through use

of a Revolving Fund to collateralize loans. Property owners with sufficient incomes to sustain reduced-interest payments can obtain subsidized financing through an agreement with a local lending institution. Eligibility of loans is determined by the applicant's gross annual household income.

Orange will continue to operate an active housing rehabilitation program, combined with code enforcement efforts, to upgrade and maintain its housing stock. The following types of assistance are available under Orange's Rehabilitation Program:

a. **Low Interest Loan:** Orange has entered into an agreement with a local lender to process loans at a designated interest rate (currently 6%). A subsidy in the amount of the difference between the lender's predetermined rate and the designated interest rate is provided by Orange. The maximum loan amount available to a homeowner is $35,000, and the maximum loan term is 15 years.

b. **Deferred Payment Loan:** A direct loan is made from Orange to qualified owner-occupants for rehabilitation activities, secured by a Deed of Trust against the property. Principal and interest of 2% is due upon sale or transfer of the property or at the end of 15 years. The maximum loan amount (up to $25,000) is available to owner-occupants who do not meet participating lender qualifications under the Low Interest Loan Program.

c. **Homeowner Participation Program:** Under this program, low and moderate income owner-occupants are eligible for reimbursement grants to cover a portion of rehabilitation costs. Orange will reimburse the owner 50 percent of project costs (up to $2,000) for very low income households, and 25 percent of the project costs (up to $1,000) for low income households.

2000-2005 Program Objectives: Continue to offer several housing rehabilitation program options, with a goal of providing rehabilitation assistance to 20 households annually.

2. Code Enforcement

Code enforcement is one means to ensure that the character and quality of neighborhoods and housing is maintained. To this end, the City's Code Enforcement Division enforces State and local regulations governing building and property maintenance on a City-wide basis. To augment code enforcement efforts and eradicate blight in identified problem areas, the City has established a NET approach. The NET consists of staff from a variety of departments (Community Development, Police, and Fire) who work in coordination with property owners to address code violations within a targeted neighborhood.

2000-2005 Program Objectives: Continue to implement a City-wide code enforcement program, and a targeted program using the NET approach. Complete four neighborhoods under the NET program on an annual basis. Provide information regarding available rehabilitation assistance.

3. Conservation of Affordable Units

A total of 464 units in five projects in Orange are at-risk of losing some or all of their affordability controls prior to July 1, 2010. While four of these at-risk projects are owned by non-profits and are at low risk of conversion, the City will play a proactive role in maintaining its stock of assisted housing. The City's objective is to retain, and if unable to retain, replace as low income housing all 464 at-risk units in Orange through the following actions:

a. Monitor Units at Risk

The City will monitor at-risk projects through maintaining contact with property owners regarding their long term plans for the projects. On Community Garden Tower and Garden Tower West, the City will maintain an ongoing dialogue with the non-profit controlled limited partnership regarding purchase under HUD's mark-up-to-market program, and award of tax exempt bonds and tax credit financing for rehabilitation improvements.

b. Working with Potential Non-Profit Purchasers

Establish contact with public and non-profit agencies interested in purchasing and/or managing units at-risk to inform them of the status of Palmyra Apartments, the only at-risk project owned by a for-profit organization. Where feasible, provide technical assistance to these organizations with respect to financing. Coordinate with the Orange County Affordable Housing Clearinghouse in assisting priority purchasers to obtain financing.

c. Tenant Education

California Notification requirements on at-risk units require that property owners intending to prepay or opt-out of affordability restrictions provide six to twelve-month notice to tenants and affected parties of the owner's intent to opt out of low income use restrictions. The City will work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures.

d. Rental Subsidies

The most cost effective means of preserving the City's at-risk projects is through provision of locally funded rents subsidies. Should any of the at-

risk projects be at imminent risk of conversion, the City will evaluate use of local funds to provide rent subsides necessary to maintain affordability.

e. Provide New Affordable Housing

The Redevelopment Agency has a commitment to provide affordable housing. In addition to new construction, the Agency provides affordable housing by financing the acquisition and rehabilitation of existing apartments and establishing long-term affordability controls. Agency activities to expand the supply of affordable housing will serve to offset any losses to the stock of assisted housing.

2000-2005 Program Objectives: Implement the following actions to protect, and if unable to preserve, replace at-risk units: 1) Monitor at-risk units; 2) Work with potential non-profit purchasers; 3) Provide tenant education; 4) Pursue rent subsidies; and 5) Provide new affordable housing.

4. Mobile Home Park Rental Assistance Program

The City provides rental assistance to very low income senior mobile home park residents paying more than 50 percent of their income on housing costs. The program provides monthly rental assistance to eligible senior residents equal to the difference between the household's monthly housing costs and 30 percent of their income.

This program is currently assisting ten senior mobile home park tenants. As the existing participants leave the program, the program will be phased out.

2000-2005 Program Objectives: Continue to offer rental assistance to existing participants in the mobile home rental assistance program.

5. Section 8 Rental Assistance Program

The Section 8 rental assistance program extends rental subsidies to lower income families and elderly that spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. Most Section 8 assistance is issued to the recipients as vouchers, which permit tenants to locate their own housing and rent units beyond the federally determined Fair Market Rent in an area, provided the tenants pay the extra rent increment.

As of April 2000 there were 570 households in Orange receiving Section 8 rental assistance. Of these households, 133 were elderly, 83 were disabled, and 354 were families. There were 335 households on the waiting list. Of these, 68 were elderly, 62 were disabled, and 205 were families. The estimated waiting period

to receive Section 8 assistance is one to four years.

2000-2005 Program Objectives: Continue providing Section 8 rental assistance to a minimum of 570 households through OCHA. Encourage landlords to list rental properties with the Housing Authority.

6. Home Sharing

Orange's Senior Center operates a home sharing/home finding service intended to match lower-income, single householders with similar persons seeking to share housing costs. This service benefits the elderly in particular by allowing them to reduce housing costs and to have another person in a home who may help meet the special physical needs of the elderly. Orange's Shared Housing Program is administered by the Orange Senior Center through one part-time employee provided through the Senior Training for Employment Program (STEP). The STEP is a federally funded program that employs low income seniors.

2000-2005 Program Objectives: Assist in advertising the shared housing program through placement of program information in key locales throughout the community.

Provision Of Adequate Sites

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes, and prices. This is an important function in both zoning and General Plan designations.

7. Land Use Element/Zoning Ordinance

Planning and regulatory actions to achieve adequate housing sites offering a range of housing types and styles include the Land Use Element of the General Plan and the zoning ordinance. A variety of residential types are provided for in Orange, ranging from 0.1 to 24 units per acre, with higher densities achievable through density bonus provisions and as part of mixed-use development projects. The residential development capacity under the existing Land Use Plan is adequate to meet Orange's share of regional housing needs, which have been identified as 3,205 units through June 2005.

2000-2005 Program Objectives: Continue to provide a range of densities through zoning and general plan designations. Maintain an up-to-date residential sites inventory, and provide to interested developers.

8. Uptown Orange and West Chapman Revitalization Areas

The Uptown Orange Land Use Plan presents a strategy to create an urban residential and commercial village on approximately 70 acres of land located in the western gateway into the City. With realignment of the freeway and arterials in this area, combined with two significant vacant parcels (former Orange Drive-In theatre and vacant Cinedome properties), approximately one-third of the area lies vacant. The Plan provides for approximately 500 to 850 village residential units, and includes incentives to the private sector to develop quality urban housing and other desired amenities including affordable housing, mixed-use retail, implementation of public spaces, integration of public art, and development of loft style housing over the retail uses. The City is also processing a Specific Plan and EIR to be adopted in 2001. The Plan will establish minimum densities of 24 units/acre, and will articulate additional regulatory and financial incentives for inclusion of affordable units.

The West Chapman Avenue Vision and Redevelopment Strategy Plan presents a longer term opportunity for residential redevelopment along the 50 acre Chapman Avenue corridor from Main Street to the 57 freeway. The City plans to widen Chapman Avenue from two to three lanes in each direction over the next 2-3 year period. As certain commercial properties are made non-viable through the road widening, there may be the potential for the integration of multi-family uses in some locations. At this time, the location and number of units resulting from implementation of the West Chapman Plan is unknown.

2000-2005 Program Objectives: Adopt a Specific Plan and EIR for the Uptown Orange area in 2001-2002, and establish minimum densities of 24 units/acre. Actively pursue implementation of the Uptown Orange and West Chapman Avenue Redevelopment Strategy Plans during this housing element period, and provide density bonus, regulatory and Redevelopment Set-Aside incentives for integration of housing in these areas.

9. Multi-Family Acquisition and Rehabilitation

In addition to the provision of sites for new construction, an important component of Orange's housing strategy is identification of existing multi-family structures for upgrading and provision as affordable housing. Orange contains numerous older apartment complexes, many in substandard condition, with potential for acquisition and rehabilitation. Acquisition and rehabilitation is often more cost-effective than new construction of affordable units, and provides the additional benefit of improving the stock of dilapidated multi-family housing in Orange.

The Redevelopment Agency has assisted for-profit developers to acquire and rehabilitate numerous projects, including: Citrus Village, a 47-unit project with 22 affordable units; Villa Santiago, a 255-unit affordable apartment complex; Plaza Gardens Apartments, a 56-unit affordable project; and Orange Garden Apartments, a 24-unit affordable complex. The Agency also assisted the non-profit OHDC with the acquisition and rehabilitation of Adams Triplex I, II, and III, three triplexes with a total of nine affordable units; and Rose Avenue Apartments, a 6-unit affordable project.

In addition, the Agency provided financial assistance to OHDC to acquire and rehabilitate 27 units located at 264-280 South Esplanade Street and 20 units located at 1924 and 1934 East Wilson Street. All 47 units will remain affordable for 55 years. The Esplanade project consists of three low-income units and 24 very low-income units. The 20 Wilson units are restricted for very low-income households.

2000-2005 Program Objectives: Continue to utilize Redevelopment Housing Set-Aside funds to assist developers to acquire existing apartment buildings in need of upgrading, in exchange for long-term affordability controls on at least 100 units by 2005. Work with Orange's code enforcement staff to identify potential apartment complexes for targeting.

Assist in Development of Affordable Housing

New construction is a major source of housing for prospective homeowners and renters. However, the cost of new construction is substantially greater than other program categories. Incentive programs, such as density bonuses, offer a cost-effective means of providing affordable housing development. Public sector support for new construction includes the following programs for low and moderate-income housing development.

10. Affordable Housing Ordinance

Orange has adopted a local Affordable Housing Ordinance (Section 17.14.340 through 17.14.420) which sets forth development incentives for the production of lower income housing. Pursuant to State law, a qualifying affordable housing project is eligible for a density bonus of at least 25 percent over the otherwise allowable density. In addition, the Ordinance allows the project proponent to propose additional incentives or concessions, which may include the following:

- A reduction in an on-site development standard which exceeds minimum State building code requirements;
- Mixed-use in conjunction with the housing development on properties zoned for commercial, office, or industrial use;
- A regulatory incentive or concession resulting in identifiable cost reductions;

- A density bonus greater than 25 percent or more than one regulatory incentive provided a higher percentage of units is designated as affordable; or
- Other incentives of equivalent financial value based upon land cost per dwelling unit.

Projects receiving density bonuses and/or other incentives allowed by the Affordable Housing Ordinance will be subject to an affordability agreement deed restricting the affordable units to sale or rental to lower income households.

2000-2005 Program Objectives: Continue to implement the Affordable Housing Ordinance and promote the Ordinance among the development community by maintaining a copy of the Ordinance in the lobby of City Hall for reference and including a copy in the informational packet provided to developers interested in working in Orange.

11. Affordable Housing Development Assistance

In addition to the provision of regulatory incentives through the Affordable Housing Ordinance (Program #10) and development fee reimbursement (Program #16), the City has a strong record of providing direct financial assistance through HOME and Redevelopment Set-Aside in support of affordable housing development. The Redevelopment Agency has also assisted in assembling and writing down the cost of land for affordable housing, such as for the Walnut Court and Pixley Arms housing projects. The City will continue its commitment to financially support development of housing affordable to lower income households, and will provide funding priority for developments which serve the needs of lower income large families. The City will also support projects which address the needs of extremely low income households (30% median family income), to the extent financially feasible.

2000-2005 Program Objectives: Conduct a developer's workshop in 2001 to discuss sites available for residential development, regulatory incentives, and available local, State and other funding sources for affordable housing development. Issue a Request for Proposal in 2001 for affordable new construction, with funding priority provided to large family rental housing. Seek to assist in development of 75 new very low and low income units (up to 80% MFI) by 2005 to be supported with HOME and Redevelopment Set-Aside funds.

12. Affordable Housing in East Orange

The East Orange Sphere of Influence encompasses approximately 18,000 acres, almost all of which is owned by The Irvine Company. Within this 18,000 acres, an enhanced level of planning has occurred for approximately 7,100 acres. This

planning area was envisioned to become a master-planned community with employment centers, clustered residential development, and community commercial centers. It was projected to support over 12,000 additional housing units and 35,000 residents.

The City is aware that The Irvine Company has been engaged in a planning effort to analyze the ultimate use of this area and there is an expectation that they will approach the City in late 2001 or the following year with a proposal to re-evaluate the existing Plan.

Within the 7,100 acre planning area, The Irvine Company did undertake planning and zoning for 494 acres. The property owner is currently moving forward with annexation of this area, known as Santiago Hills II. Santiago Hills II will provide up to 1,746 new residential units. The City Council has directed staff to discuss with The Irvine Company the City's desire to integrate affordable housing within both the Santiago Hills II project and the greater East Orange area.

2000-2005 Program Objectives: Utilize the City's Affordable Housing Plan and Ordinance as a tool to provide incentives for the inclusion of deed restricted affordable housing within East Orange. The City will conduct a Developer's Workshop in 2001 to bring together non-profits, funding and land resources for development.

13. Non-Profit Housing Development

A non-profit housing development corporation promotes, assists, or sponsors housing for low and moderate income people. The Orange Redevelopment Agency funded the creation of the OHDC with the goal of expanding the supply of low and moderate income housing in Orange. OHDC can sponsor and develop a project, or work with other non-profit or private developers. OHDC strives to achieve maximum leverage of its funds through use of multiple funding sources on private, State, and federal levels.

OHDC has constructed or rehabilitated a total of 914 units in California since 1992 including 224 units within the City of Orange; and currently has an additional 10 units within the City of Orange in predevelopment, including Villa Modena, a 5-unit project for large families. OHDC recently purchased and will rehabilitate Casa Ramon (75 units), the Wilson Avenue Apartments (20 units), and the Esplanade Street Apartments (27 units). Affordable housing projects completed by OHDC within Orange include: Chestnut Place/Fairway Manor (50 units); Harmony Creek (83 units); Adams I, II and III (9 units); Rose Avenue (6 units); Alice Clark Orange Blossom (4 units); Parker Apartments (3 units); Pixley Arms (15 units); and Walnut Court (7 units).

In addition to OHDC, the City has developed an initial list of non-profit housing developers active in the local area as part of this Housing Element, and will

continue to augment this list for purposes of soliciting their involvement in affordable housing production, including the provision of assisted living facilities for the elderly. Working with non-profits allows the City to leverage local housing funds with outside resources available to non-profits.

2000-2005 Program Objectives: Orange will continue to support the efforts of non-profit organizations to facilitate the provision of low cost housing. Orange will principally accomplish this by working with OHDC or other non-profits to identify opportunities for the construction and rehabilitation of lower income housing within Orange and provide financial assistance with Redevelopment Set-Aside funds to develop affordable housing projects.

14. Pursue Affordable Housing Funding Sources

Successful implementation of Housing Element programs to create affordable housing will depend on a variety of county, State, federal, and local funding sources. The various funding programs available to Orange are outlined in Section 4.2 - Financial Resources and Table 26 of the Housing Element Technical Report. In addition, over $670 million for housing and economic development programs are available through the State Department of Housing and Community for fiscal year 2000-01. Orange may qualify for some of these state housing programs, such as the Multifamily Housing Program and Downtown Rebound.

2000-2005 Program Objectives: Continue to actively pursue State, federal and private funding sources as a means of leveraging local funds and maximizing assistance. Provide information on newly available state funds to affordable housing developers through a RFP for affordable new construction and at a developer's workshop in 2001.

Removal of Governmental Constraints

Under current State law, the Orange Housing Program must address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing. The following programs are designed to lessen governmental constraints to housing development.

15. Zoning Ordinance

The recently revised Orange Zoning Ordinance (November 1995) allows a variety of housing types ranging from single-family residences to high-density apartments and mixed use projects. This variety in housing works towards fulfilling the housing needs of all segments of the population. The following Orange Zoning Ordinance provisions facilitate the development and conservation of affordable housing.

- X Provision for residential units within commercial zones as part of mixed-use developments
- X Provision for second units in R1 zones
- X Regulations pertaining to condominium conversions
- X Incentives for senior housing
- X Density bonus program
- X Affordable housing incentives

Orange's zoning ordinance allows for the development of multifamily residential units in the Low Medium (R-3, R-2-6, R-2-7, R-2-8) and Medium Density (R-3 and R-4) zones. The variety of uses is utilized to establish a transition between residential and commercial uses. For example, commercial zoning allows for higher density multifamily development in conjunction with retail commercial subject to a conditional use permit.

2000-2005 Program Objectives: Continue to monitor Orange's zoning ordinance to ensure standards do not excessively constrain affordable residential development.

16. Development Fees

Various fees and assessments are charged by Orange to cover the costs of processing permits and providing services and facilities. While almost all these fees are assessed on a pro rata share system, they often contribute to the cost of housing and constrain the development of lower priced units. The reduction of City fees can lower residential construction costs and, ultimately, sales and rental prices. Recently Orange reduced its building fee to better reflect the real cost of processing the permit.

The Orange Redevelopment Agency may provide fee reimbursements for affordable housing developments if the developer enters into an agreement with the Agency to provide affordable housing. Fee reimbursement is decided on a project by project basis and is not automatically provided to all affordable housing projects. Some of the criteria that the Redevelopment Agency utilizes when determining if a proposed project qualifies for fee reimbursement include: whether the project is economically feasible; whether the project actually requires a fee reimbursement to be economically feasible; how long the units will be restricted for rent at affordable rates; and whether the project will provide housing affordable to very low and low income residents.

2000-2005 Program Objectives: Continue to work with qualifying developers of affordable housing projects to provide assistance through development fee reimbursement in exchange for the provision of affordable units.

17. Expedited Project Review and Hearing Process

A community's evaluation and review process for housing projects contributes to the cost of housing because holding costs incurred by developers are ultimately reflected in the unit's selling price. The City has established an expedited project review process to minimize the time necessary for project processing.

2000-2005 Program Objectives: Continue to implement a one-stop review process whereby the development review process is coordinated throughout all departments for the purpose of expediting development review and minimizing processing times.

Promote Equal Housing Opportunities

In order to make adequate provision for the housing needs of all economic segments of the community, the housing program must include actions that promote housing opportunities for all persons regardless of race, religion, sex, income, family size, marital status, ancestry, national origin, color, age or physical disability. More generally, the program component entails ways and means to promote equal housing opportunity.

18. Homeless Continuum of Care Program

Orange is continuing to support the homeless service activities of homeless shelter and services providers within the City. The City supports a comprehensive policy for homeless care that promotes a continuum of care approach. A comprehensive system of services, as well as shelter and permanent housing that allow for the transition to independent living, is necessary to help homeless individuals and families regain their self-sufficiency. The range of services supported by the City are described in the Housing Element Technical Background Report. The City or nearby areas do not contain any homeless shelters that serve single men, or single fathers with children. As a result, additional efforts are needed to address the need for shelter services targeting single men and men with families.

2000-2005 Program Objectives: Continue to support efforts to provide a range of services and housing opportunities for homeless persons in Orange, especially targeting single men and fathers with children.

19. Fair Housing

Through a contract agreement, the Fair Housing Council of Orange County provides fair housing services to Orange residents. The three major components of the fair housing program are education, enforcement and training. Specific services offered include counseling, discrimination complaint investigation, landlord-tenant mediation, education, training, technical assistance, and public

education outreach.

2000-2005 Program Objectives: Continue to contract with the Fair Housing Council of Orange County to ensure open housing practices for all residents. Encourage affirmative marketing on all residential projects, and require developers to advertise to under-represented minority groups to indicate the availability of housing units that meet affordable housing requirements.

TABLE H-6
HOUSING PROGRAM SUMMARY

Housing Program	Program Objectives	5-Year Objective and Time Frame	Funding Source	Responsible Agency
Conserving and Improving Existing Housing				
1. Single-Family Rehabilitation	Assist in upgrading the housing stock through assistance to low income property owners for needed home improvements.	Provide rehabilitation assistance to 20 households annually	CBDG, HOME	Economic Development Department
2. Code Enforcement	Ensure ongoing maintenance and improvement of the housing stock. Provide focused code enforcement efforts in blighted neighborhoods.	Continue City-wide code enforcement. Eradicate blighting conditions in four neighborhoods annually through the NET approach. Provide information regarding available rehabilitation assistance	Department Budget	Building Division
3. Conservation of Affordable Units	Preserve, or if unable to preserve, replace assisted multi-family rental housing at-risk of conversion to market rate. Implement specific actions to protect or replace at-risk units.	• Monitor at risk units • Work with potential non-profit purchasers • Provide tenant education • Pursue rental subsidies • Provide new affordable housing	HOME, Redevelopment Set-Aside	Planning Division, Redevelopment Agency, Economic Development Department
4. Mobile Home Park Rental Assistance	Assist very low income mobilehome park residents paying more than 50 percent of their income on housing costs.	Continue to offer rental assistance to existing participants in the mobilehome rental assistance program.	Redevelopment Housing Set-Aside	Redevelopment Agency
5. Section 8 Rental Assistance Program	Provide rental assistance to very low income households.	Continue to provide Section 8 rental assistance to minimum of 570 households. Encourage landlords to list rental properties with OCHA.	HUD	OCHA, Economic Development Department
6. Home Sharing	Match lower income, single householders with similar persons seeking to share housing costs.	Assist in advertising the shared housing program through placement of program information in key locales throughout the community.	STEP	STEP, Planning Division
Provision of Adequate Sites				
7. Land Use Element/Zoning Ordinance	Offer a range of housing types and styles through the implementation of the Land Use Element and Zoning Ordinance.	Provide range of development opportunities through General Plan and zoning consistent with regional housing needs. Maintain up-to-date residential sites inventory and provide to developers.	Department Budget	Planning Division
8. Uptown Orange and West Chapman Avenue Revitalization	Provide for urban commercial and residential "villages" in obsolete commercial areas.	Adopt Uptown Orange Specific Plan in 2001-02., and est. minimum densities. Actively pursue implementation of Uptown Orange and West Chapman Avenue Strategy Plans during this planning period. Provide density bonus, regulatory and Redevelopment Set-Aside incentives for integration of housing in these areas.	Department Budget, Redevelopment Housing Set-Aside	Planning Division, Redevelopment Agency

9. Multi-family Acquisition and Rehabilitation	Identify existing multi-family structures for upgrading and provision as affordable housing.	Assist non-profit developers to acquire existing apartment buildings in need of upgrading, in exchange for long-term affordability controls on at least 100 units.	HOME, Redevelopment Housing Set-Aside	Redevelopment Agency, Economic Development Department
Assist in Development of Affordable Housing				
10. Affordable Housing Ordinance	Provide development incentives to facilitate the construction of affordable housing.	Continue to implement affordable housing ordinance and promote the Ordinance among the development community by maintaining a copy in the lobby of City Hall for reference and including a copy of the Affordable Housing Ordinance in the informational packet provided to developers interested in working in Orange.	Department Budget	Planning Division
11. Affordable Housing Development Assistance	Provide financial assistance to low income housing developments and provide funding priority for developments serving the needs of lower income large households.	Conduct a developer's workshop in 2001 to discuss residential development opportunities and available funding for affordable housing. Issue a Request for Proposal in 2001 for affordable new construction, with funding priority provided to large family rental housing. Seek to assist in the development of 75 new very low and low-income units by 2005.	HOME, Redevelopment Set-Aside	Redevelopment Agency, Economic Development Department
12. Affordable Housing in East Orange	Work with The Irvine Company to integrate affordable housing within the Santiago Hills II project and the greater East Orange area.	Utilize the City's Affordable Housing Plan and Ordinance as a tool to provide incentives for the inclusion of deed restricted affordable housing within East Orange. Conduct a Developer's Workshop in 2001 to bring together non-profits, funding, and land resources for development.	Department Budget, Redevelopment Housing Set-Aside, HOME	Planning Division, Redevelopment Agency, Economic Development Department
13. Non-Profit Housing Development Corporation	Expand affordable housing opportunities through support of non-profit housing developers. Attain maximum leverage of local funds with resources available through non-profits.	Continue to support the efforts of non-profit organizations to facilitate the provision of low cost housing. Continue to work with OHDC and other non-profits to identify opportunities for construction and rehabilitation of lower income housing and provide financial assistance with Redevelopment Set-Aside funds to develop affordable housing projects.	HOME, Redevelopment Housing Set-Aside	Redevelopment Agency, Economic Development Department

14. Pursue Affordable Housing Funding Sources	Continue to pursue State and federal funding sources for affordable housing.	Continue to actively pursue county, State, federal, and private funding sources as a means of leveraging local funds and maximizing assistance. Provide information on newly available state funds to affordable housing developers through a RFP for new construction and at a developer's workshop in 2001.	Various county, State, federal, and private funding	Redevelopment Agency, Economic Development Department
Removal of Governmental Constraints				
15. Zoning Ordinance	Facilitate development of a range of housing types to address the community's need for lower, moderate and upper income housing.	Continue to monitor Orange's Zoning Ordinance to ensure standards do not excessively constrain residential development.	Department Budget	Planning Division
16. Development Fees	Provide reduced fees to affordable housing projects.	Continue to work with qualifying developers of affordable housing projects to provide assistance through development fee reimbursement.	Redevelopment Housing Set-Aside, HOME	Redevelopment Agency, Economic Development Department
17. Expedited Project Review and Hearing Process	Minimize project holding costs for residential projects.	Continue to implement a one-stop review process whereby the development review process is coordinated throughout all departments.	Department Budget	Planning Division, Community Development Department
Promote Equal Housing Opportunities				
18. Homeless Continuum of Care Program	Promote a comprehensive approach to addressing homelessness consistent with the Continuum of Care model.	Continue to support efforts to provide a range of services and housing opportunities for homeless persons in Orange, especially targeting single men and fathers with children.	CDBG	Economic Development Department
19. Fair Housing	Assume a positive action posture which assures unrestricted housing access.	Provide fair housing services, and advertise program availability. Encourage affirmative marketing on all residential projects, and require developers to advertise to under-represented minority groups..	CBDG	Fair Housing Council of Orange County, Economic Development Department

TABLE H-7
SUMMARY OF FIVE YEAR GOALS

	Income Category				
Housing Goal	**Total**	**Very Low Income**	**Low Income**	**Moderate Income**	**Upper Income**
New Construction (Regional Housing Need)	3,205	635	395	657	1,518
Housing Rehabilitation (Single and Multi-Family)	200	100	100	0	0
Housing Conservation (Rent Subsidies, at-risk units)	1,034	1,024	10	0	0

Appendix A

Glossary

GLOSSARY

Acre: A unit of land measure equal to 43,650 square feet.

Acreage, Net: The portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement that places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development - HCD: The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.

Density: The number of dwelling units per unit of land. Density usually is expressed "per acre," e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.

Development Impact Fees: A fee or charge imposed on developers to pay for a jurisdiction's costs of providing services to new development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type.

Dwelling, Single-family Attached: A one-family dwelling attached to one or more other one-family dwellings by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.

Dwelling, Single-family Detached: A dwelling, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.

Dwelling Unit: One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Element: A division or chapter of the General Plan.

Emergency Shelter: An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.

Emergency Shelter Grants (ESG): A grant program administered by the U.S. Department of Housing and Urban Development (HUD) provided on a formula basis to large entitlement jurisdictions.

Entitlement City: A city, which based on its population, is entitled to receive funding directly from HUD. Examples of entitlement programs include CDBG, HOME and ESG.

Fair Market Rent (FMR): Fair Market Rents (FMRs) are set by HUD as the maximum gross rents allowed for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

Floor Area Ratio (FAR): The gross floor area of all buildings on a lot divided by the lot area; usually expressed as a numerical value (e.g., a building having 10,000 square feet of gross floor area located on a lot of 5,000 square feet in area has a floor area ratio of 2:1).

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility that houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Growth Management: Techniques used by a government to regulate the rate, amount, location and type of development.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnerships Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels or motels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a

family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low income, moderate income, and upper income based upon household size, and income, relative to the regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under state housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and Upper (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual midpoint income for each household size within a region that is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a

dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for housing through the sale of bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with greater than 1.51 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Redevelopment Agency: California Community Redevelopment Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20 percent of all tax increment dollars generated from each redevelopment project area for the purpose of increasing and improving the community's supply of housing for low and moderate income households.

Regional Housing Needs Assessment (RHNA): The Regional Housing Needs Assessment (RHNA) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the SCAG (Southern California Association of Governments) region. These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Southern California Association of Governments (SCAG): The Southern California Association of Governments is a regional planning agency which encompasses six counties: Imperial, Riverside, San Bernardino, Orange, Los Angeles, and Ventura. SCAG is responsible for preparation of the Regional Housing Needs Assessment (RHNA).

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the elderly, handicapped, large families, female-headed households, farmworkers and the homeless. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and for which the cost of rehabilitation is considered economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

Supportive Housing: Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Section 8, among others.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

Appendix B

Housing Element Technical Report

HOUSING ELEMENT
TECHNICAL REPORT

City of Orange
General Plan

Prepared by:
Cotton/Beland/Associates, Inc.

June 2001

#1168.00

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1. INTRODUCTION

A successful strategy for improving housing conditions must be preceded by an assessment of the housing needs of the community and region. This Housing Element Technical Report for the City of Orange discusses the major components of assessing housing needs, including trends in population, households, and the types of housing available in the City of Orange.

The technical report examines the following topics for the City of Orange. The sections are numbered as follows (this introduction is Section 1):

2. Demographic and Housing Stock Characteristics

    2.1 Population Characteristics
    2.2 Household Characteristics
    2.3 Housing Stock Characteristics
    2.4 Housing Costs
    2.5 Assisted Housing at Risk of Conversion

3. Constraints on Housing Production

    3.1 Market Constraints
    3.2 Financing
    3.3 Governmental Constraints
    3.4 State Tax Policies and Regulations
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4. Housing Resources

    4.1 Sites for Housing Development
    4.2 Financial Resources
    4.3 Non-Profit Housing Developers
    4.4 Availability of Public Services and Facilities
    4.5 Energy Conservation

The Housing Element Technical Report for the City of Orange will serve as the basis for identifying appropriate policies and programs for the Housing Element. Definitions of terms used in the Technical Report are included in the Glossary located in the Appendix to the Housing Element.

2. DEMOGRAPHIC AND HOUSING CHARACTERISTICS

The City of Orange is located in the northern portion of Orange County. Surrounding Orange are the cities of Garden Grove to the west, Anaheim to the west and north, Santa Ana and Tustin to the south, and unincorporated Orange County to the east.

Orange was incorporated in 1888, and is one of the oldest cities in the county. According to the State Department of Finance (DOF), as of 2000, the City contained a total of 41,624 housing units. The City's adopted General Plan provides for up to 49,466 units, assuming buildout of all residential land in the City of Orange. In addition to development on vacant land, future housing opportunities exist through potential conversion of underutilized commercial uses, through second units, and annexation of the City's sphere of influence.

With buildout of the existing City parcels, market pressure will encourage major development by the Irvine Company in the City's Sphere of Influence (SOI) under the East Orange General Plan. Development under the 7,100-acre East Orange plan should begin in the near future, with a Phase I development potential of approximately 1,800 dwelling units on 500 acres.

2.1 POPULATION CHARACTERISTICS

DOF estimated the January 2000 population of the City of Orange at 129,399. The 1990 U.S. Census estimated the City's population at 110,658. Orange's population increased by 18,870 people, or approximately 20 percent, between 1980 and 1990 (see Table 1). This increase is lower than the county average of 24.7 percent, and less than half the rate of the nearby communities of Santa Ana and Tustin, during the same 10-year period.

Between 1990 and 2000, the City's population increased by 18,741, or about 16.9 percent, while the county population increased by approximately 418,095, or approximately 17.3 percent. The rate of population growth in Orange County, and in its cities, is slowing; the population boom of the 1980s is now generally a pattern of consistent, but not dramatic, growth.

TABLE 1
POPULATION TRENDS:
ORANGE AND SURROUNDING AREAS
1980 - 2000

Jurisdiction	1980	1990	Change 1980 - 1990	January 2000	Change 1990 - 2000
Anaheim	219,494	266,406	+ 21.4%	310,654	+ 16.6%
Garden Grove	123,307	143,050	+ 16.0%	158,332	+ 10.7%
Orange	**91,788**	**110,658**	**+ 20.5%**	**129,399**	**+ 16.9%**
Santa Ana	203,713	293,742	+ 44.2%	317,685	+ 8.2%
Tustin	32,317	50,689	+ 56.9%	68,316	+ 34.8%
Orange County	1,932,709	2,410,556	+ 24.7%	2,828,351	+ 17.3%

Source: 1980 and 1990 Census;
State Department of Finance for January 2000.

In the past, population growth in Orange has resulted primarily from annexations. Between 1950 and 1980, the City's area expanded from 8.8 to 23 square miles. With the annexation of East Orange, the City's area will be over 50 square miles.

Age Characteristics

The age structure of a population is an important factor in evaluating housing needs and projecting the direction of future housing development. Table 2 illustrates the age distribution of Orange residents in 1980 and 1990. In 1980, the median age in Orange was 29.1 years, slightly below the 30.5 countywide median age. Based on 1990 Census data, the median age in Orange increased to 31.5, approximately matching the 1990 county median of 31.4. The rising median age reflects increases in the young adult (25 to 34) and adult (35 to 44) populations and an actual numerical decrease in the number of children ages 10 to 19.

TABLE 2
CITY OF ORANGE
AGE CHARACTERISTICS OF POPULATION
1980 AND 1990

Age Range	1980		1990	
	Number of Persons	% of Population	Number of Persons	% of Population
0-4	6,216	6.8%	8,513	7.7%
5-9	6,317	6.9%	7,360	6.7%
10-14	7,636	8.3%	6,623	6.0%
15-19	9,515	10.4%	8,192	7.4%
20-24	9,288	10.1%	10,227	9.2%
25-34	15,830	17.2%	22,108	20.0%
35-44	11,768	12.8%	17,175	15.5%
45-54	10,303	11.2%	11,883	10.7%
55-64	7,713	8.4%	8,946	8.1%
65-74	4,079	4.4%	5,739	5.2%
75+	3,123	3.4%	3,892	3.5%
Total	91,788		110,658	
Male	44,871	48.9%	55,809	50.4%
Female	46,917	51.1%	54,849	49.6%
Median Age	29.1		31.5	

Source: 1980 and 1990 Census.

Race/Ethnicity Characteristics

The racial and ethnic make-up of a population affects housing needs based on the unique household characteristics of different groups, and household size in particular.

Orange is a predominately White community, with non-Hispanic Caucasians making up 63 percent of the population. Table 3 depicts the composition of racial and ethnic groups in the City and County. In the City, the *number* of non-Hispanic Caucasians remained essentially the same between 1980 and 1990. However, as a *percentage* of the total City population, non-Hispanic Caucasians decreased from 82 percent to 68 percent between 1980 and 1990. The number of Hispanics has nearly doubled, both in number and proportion, between 1980 (12 percent) and 1990 (24 percent). The City also experienced significant growth in its Asian population, increasing from just under two percent of the population in 1980 to just under eight percent in 1990. The "Other (non-Hispanic)" population sharply decreased, probably due to the revised definition of Hispanics for the 1990 Census. As projected for 1997, the percentage of Hispanics has continued to increase (to 26.8 percent), along with the City's Asian population.

TABLE 3
CITY OF ORANGE AND ORANGE COUNTY
RACE AND ETHNICITY
1980, 1990 AND 1997

Ethnicity/ Race	1980		1990			1997	
	City #	City %	City #	City %	County %	City #	City %
White (non-Hispanic)	75,265	82.0%	75,360	68.1%	64.5%	77,016	62.6%
Black (non-Hispanic)	835	0.9%	1,508	1.4 %	1.6%	1,774	1.4%
Asian and Pacific Islanders (non-Hispanic)	1,530	1.7%	8,517	7.7 %	10.0%	10,698	8.7%
Other (non-Hispanic)	2,786	3.0%	491	0.4 %	0.5%	619	0.5%
Hispanic (all races)	11,372	12.4%	24,782	22.4 %	23.4%	33,020	26.8%
Total Population	91,788	100%	110,658	100 %*	100%	123,127	100%

Source: 1980 and 1990 Census and Center for Demographic Research, CSUF (1997)
*Number does not add to 100% due to rounding.

Note: The 1980 Census data do not provide a breakdown of non-Hispanic Native American, Asian, and Other persons. Rather, it provides a breakdown of the Hispanic population by "White", "Black", and "Other." To estimate the number of Native American, and Asian of Hispanic origin that were included in the "Other Spanish Origin" category, the proportion of these races in relation to the total population is used.

In addition to the five primary racial groups, the Census has a separate question related to whether the householder is of Spanish/Hispanic origin. "Origin" is defined as the ancestry, nationality group, lineage, or country in which the person's ancestors were born before their arrival in the United States. Persons of Spanish/Hispanic origin may be of any of the racial categories.

The 1990 racial and ethnic make-up of the City of Orange is comparable to that of the county overall. The City has a slightly higher percentage of non-Hispanic Whites, and a slightly lower percentage of Asian and Pacific Islanders and Hispanics, than the county.

2.2 HOUSEHOLD CHARACTERISTICS

Information on household characteristics is an important indicator of housing needs in a community. Income and affordability are best measured at the household level, as are the special needs of certain groups such as large families and female-headed households. For example, if a community has a substantial number of young family households whose incomes compared with local housing costs preclude the option of buying a home, a city may wish to initiate a homebuyer assistance program.

The Bureau of the Census defines a "household" as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

Household Type and Size

As shown in Table 4, Orange is a family-oriented community with 73.5 percent of its households in 1990 consisting of families. This proportion of family households was slightly higher than the countywide 70.5 percent. Single-person households represented the second largest household group, comprising 18.9 percent of all households. Approximately 7.6 percent of the City's households fell within the "Other" category, which are households consisting of unrelated people living together.

TABLE 4
CITY OF ORANGE AND ORANGE COUNTY
HOUSEHOLD TYPE - 1990

Household Type	Orange		Orange County	
	Number of Households	% of Total	Number of Households	% of Total
Families	27,054	73.5%	583,162	70.5%
Singles	6,951	18.9%	171,119	20.7%
Other	2,786	7.6%	72,785	8.8%
Total	36,791	100.0%	827,066	100.0%

Source: 1990 Census.

Household size is an important indicator identifying sources of population growth, as well as overcrowding in individual housing units. A city's average household size will increase over time if there is a trend towards larger families. In communities where the population is aging, the average household size may actually decline.

Average household size in Orange increased slightly from 2.83 persons per household in 1980 to 2.90 persons per household in 1990. The January 2000 estimate provided by the Department of Finance (DOF) is 3.115 persons per household. In 1990, renter-occupied households averaged a greater number of persons per unit (2.95) than did owner-occupied households (2.87). These numbers varied from the Orange County averages of 2.89 persons per renter-occupied unit and 2.86 persons per owner-occupied unit.

Overcrowding

Overcrowding is another indicator of housing affordability. Unit overcrowding is caused by the combined effect of low earning and high housing costs in a community, and reflects the inability of households to buy or rent housing that provides a reasonable level of privacy. More than one household may be forced to live together, or available housing units may be too small. The Census defines an overcrowded household as one with more than one person per room, excluding bathrooms, kitchens, hallways, porches, and half-rooms. Severe overcrowding is defined as more than 1.5 persons per room.

Census data suggest that overcrowding was not a pervasive problem in the City of Orange in 1980, with approximately 1,400 households, or 4.5 percent of the total, identified as overcrowded. According to the 1990 Census, however, there were 3,541 cases of overcrowding in Orange (9.6 percent), compared with 11.2 percent countywide. This represents over a 100 percent increase in overcrowding since 1980. Of all the overcrowded households in Orange in 1990, over 2,750, or almost 80 percent of the total overcrowded households, were in rental units; approximately 790 overcrowded households, or about 20 percent of the total overcrowded households, were in owner units (the 1980 Census did not distinguish between rental and owner overcrowding). Of the overcrowded households in 1990, 1,940, or 55 percent, were identified as severely overcrowded.

Overpaying

State and Federal standards consider a household as overpaying for its housing costs if it spends more than 30 percent of its gross income on housing. A households that is spending more than it can afford for housing has less money available for other necessities and emergency expenditures. Extremely low- and very low-income households overpaying for housing are more likely to be at-risk of becoming homeless than other households. SCAG estimates that in 1998, 35 percent of all households in Orange overpaid for their housing. Lower income households (80 percent of the MFI or lower) had a higher rate of overpayment, with approximately 66 percent overpaying, compared to 22 percent of those households earning over 80 percent of the MFI.

Renter-households overpay for their housing costs more often than owner-households because of their typically lower incomes. According to SCAG, in 1998 approximately 44 percent of the renter households in Orange overpaid for housing, in comparison to 30 percent of the owner-households. As shown above, lower income renter-households had a higher rate of overpayment (77 percent) than lower income owner-households (49 percent). Compared to renters, overpayment by owners is less of a concern because homeowners have the option to refinance the mortgage, or to sell the house and move into rentals of buy a less expensive home.

Special Needs Groups

Certain segments of the population may have difficulty in finding decent, affordable housing due to their special needs. These special needs groups, as defined by State housing element law, include the elderly, disabled persons, large households, female-headed households,

farmworkers, and the homeless. Table 5 summarizes the number of households/persons in each of these special needs groups in the City of Orange.

TABLE 5
SUMMARY OF SPECIAL NEEDS GROUPS

Special Needs Group	Number of Households/ Persons	% of Total Households/ Persons
Elderly Households	5,701	15.5%
Disabled Persons	2,357	6.4%
Large Households	5,305	14.4%
Female-Headed, Households with Children	3,998	10.9%
Farmworkers (persons)	891	0.8%
Homeless (persons)	170	0.2%
TOTAL	**18,422**	**48.2%**

Source: 1990 Census.

Elderly

The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. The Census shows that 9,631 seniors (65 years and older), almost nine percent of the City's population, resided in the City of Orange in 1990. Of this age group, 2,694 were classified as "frail elderly," meaning that they have a mobility, work, or self-care limitation, and consequently may have special housing needs. Of all senior households in Orange in 1990, approximately six percent were living below the "poverty level," as defined by the U.S. Census Bureau.

Other Census statistics indicate that 15.5 percent of the City's households were headed by an elderly person, representing a total of 5,701 households, in 1990; the percentage in Orange County was 16 percent. Approximately 70 percent of the City's elderly households resided in owner-occupied units. Between 1980 and 1990, the elderly population in Orange increased by approximately 34 percent, indicating an increasing need for housing for the elderly. As of April 2000 there were 133 elderly households receiving Section 8 rental assistance within the City of Orange. An additional 68 elderly households in Orange were on the waitlist for Section 8 assistance.

The City of Orange has nine housing projects that contain units targeted toward accommodating the City's lower-income elderly residents: Community Garden Tower (210 affordable units), Garden Tower West (122 affordable units), Triangle Terrace (75 affordable units), Fairway Manor/Chestnut Place (50 affordable units), Pixley Arms (15 affordable units), Orchid Gardens (17 affordable units), Alice Clark Orange Blossom Apartments (4 affordable units), Harmony Creek (83 affordable units) and the Palmyra Apartments (10 affordable units).

Additional specialized housing is provided for elderly residents that are unable to live independently without supportive care by the 31 licensed community care facilities located in Orange. As shown in Table 6, these 31 licensed care facilities provide 520 beds for the elderly. Of these, approximately 242 beds are available to serve non-ambulatory elderly persons. Two of the larger elderly care facilities are the Fountain Assisted Living/Retirement Center on Culver Avenue and the Park Plaza facility on Glassell Street. Most of the other facilities consist of smaller homes that offer services for up to six persons. In addition, Southern California Presbyterian Homes is developing a new 48-bed congregate care facility on Taft Street.

TABLE 6
ORIENTATION AND CAPACITY OF LICENSED COMMUNITY CARE FACILITIES

Age	Total Number of Facilities	Total Capacity (number of beds or persons)	Specialized Care [1] (number of beds)		
			Mentally Disabled	Developmentally Disabled	Non-Ambulatory
Age 0-17					
Small Family Home [2]	3	12	0	12	0
Group Home [3]	13	181	0	0	0
Age 18-59					
Adult Residential [4]	25	189	47	130	14
Age 60+					
Elderly Residential [5]	31	520	0	0	242
Adult Day Care	2	68	0	48	5
Total	117	1,411	0	198	1,183

Source: State of California Department of Social Services Community Care Licensing Division, July 1, 1999.

Notes:

1. The specialized care columns are not mutually exclusive. For example, a facility may have a total capacity of 10 beds, with eight beds for developmentally disabled children and four of the 10 beds are designed to accommodate non-ambulatory children.
2. Group homes provide specialized treatment for persons under 18 years old. Group home residents are referred by the Department of Children and Family Services, as well as by the Probation Department.
3. Small family homes provide care to children in licensees' own homes. Small family residents are usually children on probation, developmentally disabled, children with special needs, and some foster children.
4. Adult residential facilities provide care for persons aged 18 to 59 years, including both developmentally disabled adults and persons suffering from mental illness or psychiatric disorders.
5. Elderly residential facilities provide care for persons aged 60 and above.

The following agencies currently provide services - such as counseling, health care, referrals, and assistance in independent living - or can assist elderly persons in the City of Orange to locate these services:

- North Orange Senior Center;
- Orange County Council on Aging;
- Friendly Center; and
- Orange Senior Citizens Community Center.

City housing programs for housing rehabilitation assistance, as well as assistance in constructing new rental housing for seniors, all work to address the housing needs of the City's senior population.

Disabled Persons

Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. The 1990 Census indicates that approximately six percent of Orange's population has some form of work or mobility disability (a health condition that makes it difficult for the person to go outside the home alone). Elderly individuals with transportation disabilities comprise an estimated 43 percent of the City's disabled. The County of Orange Health Care Agency (OCHCA) has estimated the number of persons in Orange with a mental illness. Based on the prevalence of mental illness in three percent of the general population, OCHCA estimates that 3,828 persons in Orange have some type of mental illness.

Although no current comparisons of disability with income, household size, or race are available, it is reasonable to assume that a substantial portion of disabled persons are within the federal Section 8 income limits, especially those households not in the labor force. Further, most lower income disabled persons are likely to require housing assistance.

Their housing need is further compounded by design and location requirements which are often more costly than standard requirements. Special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, hand rails, special bathroom designs, wider doorways, lower cabinets, elevators, and other effective exterior and interior design features. The housing needs of the City's mentally ill include the need for additional licensed facilities to provide care and supervision so that persons with mental illness can stabilize and learn how to live in less restrictive community housing; transitional housing so that there are housing opportunities for those leaving licensed care facilities; and permanent supportive housing so that those that have achieved self-sufficiency are able to continue to maintain their quality of life. As shown in Table 6, there are several licensed care facilities in the City that provide supervised living opportunities to up to 47 mentally ill adults.

As of April 2000, 83 disabled households in Orange were receiving Section 8 rental assistance. An additional 62 disabled households in Orange are on the Section 8 waiting list for assistance. The County estimates that there is a one to four year wait for persons applying for assistance from the Orange County Housing Authority Section 8 Rental Assistance

program.

Housing opportunities for individuals with physical disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward disabled renters and homeowners for unit modifications to improve accessibility. Accessible housing also can be provided through senior housing development. In order to address these special housing needs, Casas Del RIO, a 40-unit apartment complex, was constructed under the Section 811 program for disabled individuals. In addition, all of the other affordable housing complexes in Orange offer some units accessible to disabled persons. Table 6 also shows that there are 25 licensed community care facilities in Orange that provide supportive living opportunities for 189 disabled adults.

The Rehabilitation Institute of Southern California (RIO), which operates Casas Del RIO, also administers two programs for disabled persons. Independent Living Skills Training and Supported Living Services provide disabled Orange residents with the opportunity to learn or relearn skills to help them live independently.

Large Households

Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large families are often of lower income, and may live in overcrowded smaller dwelling units, which accelerates unit deterioration. According to the 1990 Census, more than 14 percent (5,305) of the City's households were large families (i.e., comprised of five or more members), of which approximately 47 percent were renters. The 1990 Census also indicates that almost 10 percent of the City's households were living in overcrowded conditions (defined as greater than one person per room), reflective of households doubling up to reduce costs or large families unable to afford units of adequate size.

Of the large family renter households within the City in 1990, approximately 85 percent had a housing problem, such as overcrowding or overpayment, with 18 percent paying in excess of 50 percent of their income for housing and 42 percent experiencing housing problems other than overpayment. The Redevelopment Agency helps to address the overcrowding and overpayment problems experienced by large household renters through the provision of affordable housing opportunities for large families, through both new construction and acquisition/rehabilitation. A major constraint limiting the ability of the Redevelopment Agency to provide additional family housing in Orange is the lack of appropriate sites for larger family projects. As a result, many of the family projects that the Redevelopment Agency has participated in consist of smaller projects containing less than 10 units. While the lack of land presents a constraint to affordable family housing, the Redevelopment Agency has never turned down an application for an affordable family housing project and encourages potential developers to submit proposals for new projects. There are approximately 485 affordable units in Orange that are available to families and have been assisted by the Redevelopment Agency, as shown on Table 16. This Housing Element also includes a program to encourage the provision of new affordable family units.

Female-Headed Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. In particular, female-headed households with children tend to have lower incomes than other types of households, a situation that limits their housing options and access to supportive services.

The 1990 Census indicates that the City of Orange had almost 4,000 female-headed families, accounting for 11 percent of all households in the City. An estimated 57 percent of these female-headed families had dependent children under 18 years of age. Almost 12 percent of the female-headed households were below the poverty level, as defined by the U.S. Census Bureau. Providing housing opportunities for female-headed families relates both to housing affordability and childcare services. The majority of non-senior units assisted by the City or Redevelopment Agency are suitable for female-headed households.

Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next.

The 1990 Census indicated that less than one percent (891 persons) of the City of Orange's residents were employed in agriculture, fishing, and forestry. Due to Orange's urban setting and nominal rural farmworker population, housing needs for farmworkers can generally be addressed by overall programs for housing affordability.

Homeless

Throughout the United States, homelessness has become an increasing problem. Factors contributing to the rise in homelessness include the lack of housing affordable to very low- and low-income persons, increases in the number of persons whose income falls below the poverty level, reductions in public subsidies to the poor, and the deinstitutionalization of the mentally disabled.

Due to their dispersed locations and transient character, it is difficult to derive an exact size of the homeless population in the City of Orange. According to the 1990 Census, there were 159 individuals - 57 youths and 102 adults - in homeless emergency shelters and an additional 11 homeless people visible on the streets of Orange on the date the Census of the homeless was taken. It is generally accepted, however, that the Census significantly undercounted the full number of homeless throughout the country.

According to the Orange Police Department, homelessness is not a major problem within the City. The majority of the homeless persons found within the City come to the City for free food served at Mary's Kitchen (a homeless feeding program) and leave. Some homeless can be found along the riverbed area, but the police estimate that there are no more than a dozen

within the City. One of the reasons for the low number of homeless is that the City does not allow homeless camps to be set-up, so there is limited opportunity for long-term living sites within the City.

The Orange County Interfaith Shelter in Costa Mesa served 253 persons in 1999 who stated that their last address was in the City of Orange. Of these 253 people, 162 were children. This is indicative that the homeless population is becoming more diverse. In contrast to the public perception of the homeless person as single men, often dependent on drugs or alcohol, the composition of this population is becoming increasingly heterogeneous and complex. The homeless include families, children, single women, and the temporarily unemployed.

In October 1993, the Research Committee of the Orange County Homeless Issues Task Force issued an updated version of its report *Demographic Profile and Survey of Homeless Persons Seeking Services in Orange County*. The demographic profile reported that, of the sample of homeless surveyed:

- 68 percent were unemployed and looking for work;
- 59 percent were Caucasian;
- 56 percent were single;
- 16 percent were veterans; and
- The mean length of residence in Orange County was 14 years.

The City of Orange participates in the County of Orange Continuum of Care program and provides assistance to homeless persons through the following programs:

Outreach and Assessment - The City coordinates with the network of local and regional homeless provider/services agencies and also provides referral services for individuals seeking assistance to agencies as shown in Table 7.

Supportive Services - The City has provided CDBG funds to non-profit agencies that provide job training and other supportive services such as food distribution for the homeless. To the extent feasible, the City will continue to utilize its CDBG funds to assist in the delivery of supportive services.

Shelter Phase - This phase is designed to bring homeless person into emergency transitional shelters, where case managers link clients to a network of supportive services. The following shelters are located in Orange:

- Bethany's Women's Shelter, which is a transitional housing facility for single women;
- Casa Teresa, which is a group home for pregnant mothers;
- Hannah's House, which provides transitional housing for pregnant women;
- House of Hope, which provides shelter and services for women and children;
- Interval House, which provides temporary shelter and services for battered women

and their children; and

- Women's Transitional Living Center (WTLC), which provides housing and services for battered women and their children.

These facilities, along with other facilities in the region, are listed in Table 7. The City does not contain any shelters or transitional housing that serves single men or fathers with their children.

Permanent Housing - This phase is deigned to transition homeless persons into permanent housing with childcare, drug treatment, job training, and other supportive skills needed to reintegrate into community life. As shown in the Accomplishments section, Orange has assisted with the provision of permanent affordable housing projects and participated with the Section 8 rental assistance program.

TABLE 7
ORANGE VICINITY
HOMELESS PROVIDERS INVENTORY

Program	Service
Anaheim Interfaith Anaheim	Serves families with 57 beds. Provides transitional housing for up to 9 months, and counseling services.
Bethany Women's Shelter	Serves single women with 8 beds for up to 6 months.
Casa Teresa Orange	Home for up to 36 single pregnant women which offers counseling, transportation, food distribution, job training and placement, referrals, health care, and nutrition programs.
Catholic Charities Santa Ana	Food program and rental, utility, prescription assistance when funds are available.
The Dayle McIntosh Hearth Program Anaheim	Offers educational, referral, emergency, advocacy and other services to the disabled population in Orange County. Tenants may stay up to 30 days in emergency housing.
El Modena Orange	Transitional housing for families. Provides 18 beds.
Eli Home (undisclosed location)	Serves battered women and children. 20 beds are available for up to 45 day, with extension program up to one year. 1,050 people were assisted in 1992.
Episcopal Service Alliance (various County locations)	Provides support services such as food programs, clothes, and bus and motel vouchers.
Hannah's House	Provides traditional housing for pregnant mothers.
Homeless Intervention and Shelter (HIS) House Placentia	Serves individuals and families. Provides transitional housing for up to 4 months, as well as counseling and job referrals.
House of Hope Orange	Provides temporary shelter and services for women and children.

TABLE 7
ORANGE VICINITY
HOMELESS PROVIDERS INVENTORY

Program	Service
Interval House (undisclosed location)	Serves women and children. Provides housing for 30-45 days. Approximately 550 people served per year.
Lutheran Social Services (various County locations)	Provides hot meals and rental and utility assistance when funds are available.
Mental Health Association Santa Ana	Serves mentally disabled women and men. Provides transitional living services.
Mercy House Santa Ana	Serves men with 24 beds, transitional services, counseling.
Orange Coast Interfaith Shelter (various County locations)	Provides 55 emergency beds, 18 transitional beds. Accepts couples and families only.
Orange County Homeless Issues Task Force	Provides leadership and direction for a countywide agenda that addresses the issue of homelessness using the public, private, and non-profit sectors on a continuum of emergency, transitional and long-term solutions.
Salvation Army Adult Rehabilitation Center Anaheim	Serves men with 140 beds, drug and alcohol counseling.
The Sheepfold Orange	Residence, counseling, meals, transportation, health care, and financial assistance for women and children.
Shelter for the Homeless Midway City	Serves single men, single women and families. A traditional shelter for people who are employed or are employable. Provides some food and clothing.
Society of St. Vincent de Paul Orange	Non-profit clearinghouse distributes surplus and salvaged food to non-profit agencies.
Women's Transitional Living Center (undisclosed location)	Serves battered women and children with shelter for up to 45 days. Provides 56 beds. Counseling available.
YWCA Hotel for Homeless Women Santa Ana	Serves women over 18 years of age. Provides 38 beds, counseling.
Orange County Rescue Mission Santa Ana	Provides emergency and transitional housing for up to 70 homeless men.

Source: City of Orange HUD Consolidated Plan, May 1995; City of Orange, 2000; CBA 2000.

2.3 HOUSING STOCK CHARACTERISTICS

A housing unit is defined as a house, apartment, or a single room, occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other person in the building and which have direct access from the outside of the building or through a common hall. A community's housing stock is comprised of all its housing units.

Housing Growth

As shown in Table 8, Orange experienced a 15.6 percent increase in the number of housing units between 1980 and 1990. Of the neighboring cities shown in Table 8, Tustin had the greatest increase in housing units at 46.5 percent from 1980 to 1990, and Garden Grove the least at 7.3 percent.

TABLE 8
HOUSING TRENDS: ORANGE AND SURROUNDING AREAS
1980-2000

Jurisdiction	Total Housing Units		Change 1980-1990	Total Housing Units	Change 1990-2000
	1980 (a)	1990 (b)		1/00 (c)	
Anaheim	82,725	93,177	+ 12.6%	99,939	+ 7.3%
Garden Grove	42,846	45,984	+ 7.3%	46,753	+ 1.8%
Orange	**32,884**	**38,018**	**+ 15.6%**	**41,624**	**+ 9.5%**
Santa Ana	67,180	74,973	+ 11.6%	74,955	-0.02%
Tustin	13,171	19,300	+ 46.5%	24,861	+ 28.8%
Orange County	721,514	875,072	+ 21.3%	966,086	+ 10.4%

Source:
(a) 1980 Census.
(b) HUD CHAS Data Book, 1993.
(c) State Department of Finance, 2000.

Between 1990 and 2000, housing growth slowed in Orange County, consistent with the slower growth in population (see Table 1), as the communities approach buildout. Tustin continued to experience the highest growth (28.8 percent), while the housing stock in Santa Ana decreased by less than one percent (18 units) between 1990 and 2000. The City of Orange experienced a 9.5 percent increase in housing units during the ten-year period, with a 16.9 percent population growth. The greater increase in population compared to housing units in Orange is partially explained by the increasing average household size in the City, from 2.83 persons per household in 1980, to 2.90 persons in 1990, to 3.115 persons in 2000. Larger households can lead to increased overcrowding in the community if housing with three or more bedrooms is not available or affordable to the City's larger households (see subsection 2.2 - Household Characteristics).

As shown in Table 9, single-family housing units (in 2000) make up about 67 percent of Orange's housing stock. Multifamily housing makes up about 30 percent of the City's housing stock, and mobile homes make up about three percent of the City's housing. The

percentage of single-family housing in the City's housing stock has increased slightly (2.3 percentage points) since 1980.

Multifamily housing typically provides the largest source of both rental and affordable homeownership opportunities in a community. In the City of Orange, the total number of multifamily units has continued to increase. According to the State Department of Finance, a loss of almost 360 units located in complexes of 5+ units from 1980 to 1990 has been reversed in the past nine years, with an increase of approximately 788 such units from 1990 to 2000. The number of mobile homes, also a good source of affordable housing, has stayed constant from 1990 through 2000.

TABLE 9
CITY OF ORANGE
HOUSING SUPPLY TYPE
1980-2000

Housing Type	1980 (a)		1990 (b/c)			1/00(c)		
	Number of Units	% of Total	Number of Units	% of Total	Change 1980-1990	Number of Units	% of Total	Change 1990-2000
Single-Family Total	21,312	64.8%	25,359	66.7%	+19.0%	27,918	67.1%	+10.1%
Multi-Family								
2-4 Units	3,889	11.8%	4,855	12.8%	+24.8%	5,114	12.2%	+5.3%
5+ Units	6,614	20.1%	6,255	16.5%	-5.4%	7,043	16.9%	+12.6%
Total	10,503	31.9%	11,110	29.2%	+5.8%	12,157	29.2%	+9.4%
Mobile Homes	1,069	3.3%	1,214	4.1%	+13.6%	1,214	2.9%	0.0%
Other*			335	0.9%		335	0.8%	0.0%
Total Housing Units	32,884		38,018		+15.6%	41,624		+10.4%
Total Occupied Units	31,708		36,791		+16.0%	40,280		+10.4%
Vacancy Rate	3.6%		3.2%			3.23%		

Sources: (a) 1980 Census.
(b) 1990 Census.
(c) California State Department of Finance, 2000.

* The 1990 Census defines "other" as units such as Recreational Vehicles and tents.

The City's General Plan residential land use policy provides for up to 49,466 units, assuming buildout of all residential land in the City of Orange. In addition to development on vacant land, future housing opportunities exist through the potential conversion of underdeveloped residential and commercial uses and through second units. Approximately 4,603 dwelling units could be accommodated on vacant, underutilized, and redeveloped parcels.

With a buildout of the existing City parcels, market pressure will encourage major development by the Irvine Company in the City's Sphere of Influence (SOI) under the East Orange General Plan. Development under the 7,100-acre East Orange plan should begin in the near future, with a Phase I development potential of approximately 1,800 dwelling units.

Housing Tenure

The tenure distribution of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment, while faced by many households regardless of tenure, is far more prevalent among renters. Tenure preferences are primarily related to household income, composition, and age of the householder.

In 1990, owner-occupied housing comprised about 61 percent of Orange households, comparable to the countywide figure of 60 percent. As shown in Table 9, the overall vacancy rate in Orange was approximately 3.23 percent in 2000, and 3.2 percent in 1990. As identified in the 1990 Census, the vacancy rate among rental units was higher (3.6 percent) than the vacancy rate among ownership units (1.3 percent), well below "ideal" vacancies of two to three percent for ownership units and five to six percent for rental units. Typically, a low vacancy rate decreases affordability in a housing market.

Housing Conditions

In general, housing over 30 years old usually is in need of some major rehabilitation, such as a new roof, foundation work, wall plaster, or plumbing. Table 10 shows the age of housing units in Orange as of January 2000. With the biggest housing boom in Orange occurring in the 1960s, approximately 53 percent of the City's housing units were built before 1970 and are over 30 years old. This represents a significant proportion of Orange's housing stock. Based on age alone, over 22,000 housing units in Orange will need continued maintenance and potential rehabilitation during the implementation of the updated Housing Element. According to the Consolidated Plan, approximately 745 single-family homes and 500 multi-family homes in Orange require major rehabilitation. Some households, particularly those that have owned their homes for many years and have relatively low house payments, may be able to afford the monthly payments but have no additional money for major repairs.

TABLE 10
AGE OF HOUSING STOCK - 2000
CITY OF ORANGE

Year Unit Built	Number of Units	% of Total
1939 or earlier	1,979	4.8%
1940 to 1949	1,149	2.8%
1950 to 1959	6,029	14.5%
1960 to 1969	12,766	30.7%
1970 to 1979	9,328	22.4%
1980 to March 1990	6,767	16.3%
April 1990 to January 2000	3,606	8.7%
Total	41,624	100%

Source: 1990 Census.
California Department of Finance, 2000.

Overcrowding is a significant problem in particular areas of the City where there are older

apartment complexes. Particular areas of concern identified in the City's 1991 Housing Needs Assessment include the Prospect Street, Katella/Schaffer, Highland/Adams, and Hoover/Wilson neighborhoods. The City has worked to address the needs of these areas by providing code enforcement and housing rehabilitation assistance. The Redevelopment Agency and City have assisted developers with the acquisition and rehabilitation of key deteriorated properties. These projects include the 255-unit Villa Santiago (Prospect Street area), the nine-unit Adams I, II and III apartments (Highland/Adams area), the 24-unit Orange Garden Apartments (Highland/Adams area), and 56-unit Plaza Garden Apartments (Highland/Adams area). Neighborhood revitalization is still needed on Wilson and Adams, between Tustin Avenue and Highway-55. Towards this end, the Agency recently assisted the Orange Housing Development Corporation (OHDC), the local non-profit housing developer, with the acquisition of 20 multi-family units on Wilson Avenue. Additional funds will be provided to rehabilitate the units.

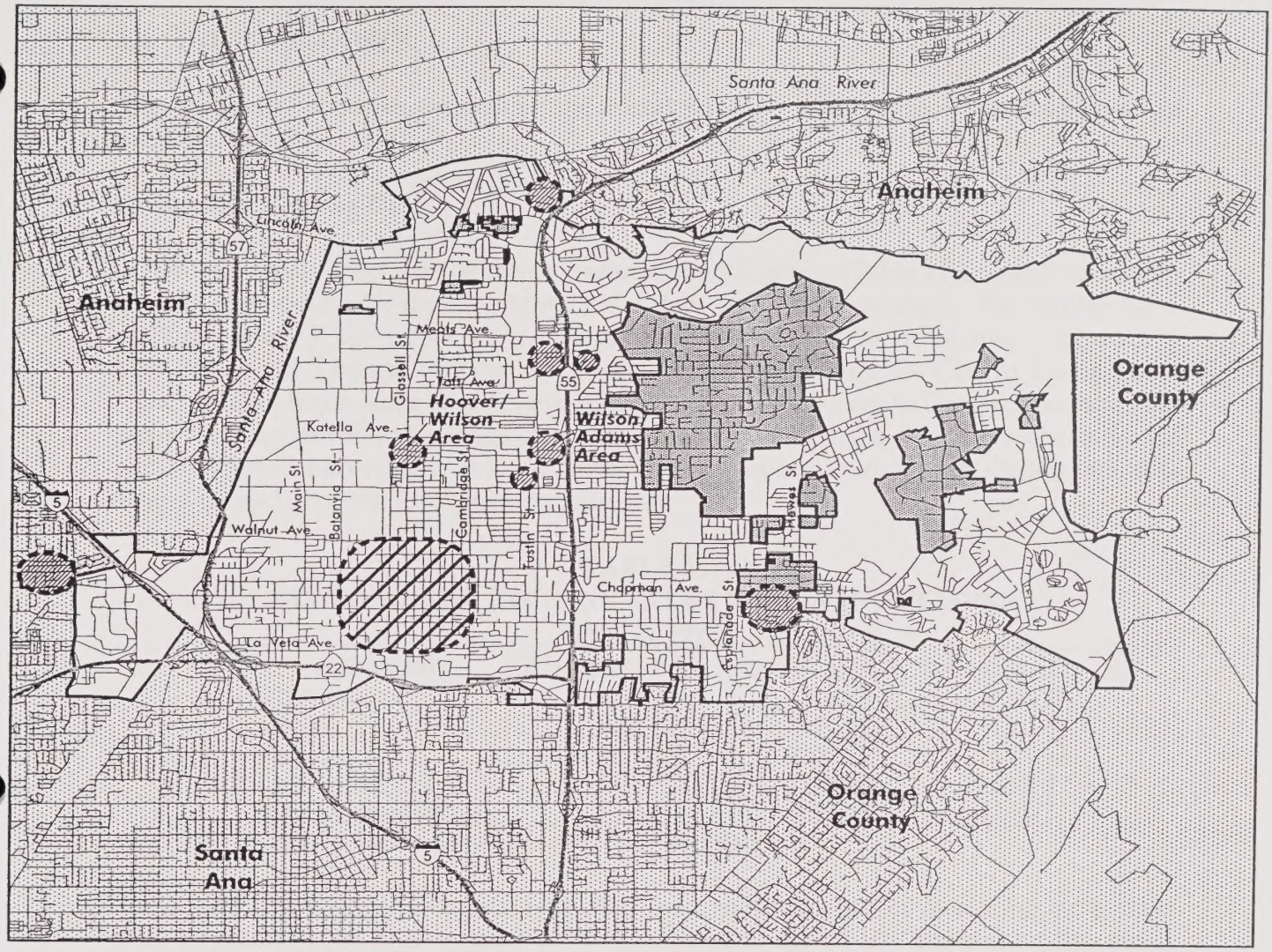
Code Enforcement staff has identified the areas depicted on Figure 1 as areas with problem housing, including substandard housing, delayed maintenance, overcrowding, zoning violations, illegal conversions, and inoperable vehicles.

Rehabilitation needs will increase over time as the housing stock ages, particularly in areas with low-income households where there is a pattern of deferred maintenance. To address the issue of blight resulting from substandard housing, the City continues to enforce its codes and implement the Neighborhood Enhancement Team (NET) Program. Staff from a variety of City departments participates in the NET program to eradicate blight in the City. The NET program occurs four times a year and targets specific areas that have incidents of at least five of the following criteria:

- Calls for Police, Fire, and City services
- Housing/Zoning Code violations
- Health and Safety Code violations
- Fire Code violations
- Inoperable vehicles
- Gang activity
- Multi-unit housing
- Inadequate provision for young children (e.g. - lack of play areas, playground equipment, etc.)
- Deteriorated infrastructure (alleys, sidewalks, lighting, play areas, etc.)
- Community Development Block Grant designated area (low/moderate income residents)
- Affect of properties on surrounding areas (property value issues)
- Complaints from neighbors/others
- Garage conversions/alterations

Members of the NET enter a target area and address all of the code violations that are occurring. Owners of the properties are worked with for four months to attempt to remediate the City's concerns, include incidents of overcrowding and substandard housing. The Redevelopment Agency also continues to work to address housing problems within the City.

Figure 1



Source: City of Orange Community Development Department-Code Enforcement

City Boundary

Areas with Concentrated Housing Deterioration

Unincorporated County Islands

Area with Concentration of Older Housing

North

0 1 2 miles

Figure 1
Areas in Need of Rehabilitation

2.4 HOUSING COSTS

The following discusses ownership and rental housing costs in the City of Orange and neighboring communities.

Ownership Housing Cost

According to data from the California Association of Realtors (Table 11), overall ownership housing costs in Orange are just slightly lower than Countywide averages. The median value of home sales in November 1999 was approximately $246,000 in Orange, compared to $256,250 in the County. Of the surrounding jurisdictions, only the City of Tustin had a higher median home value than Orange. The lower housing prices in Orange, Anaheim, and Santa Ana may be reflective of the older housing stock found in the older cities of central and north Orange County compared to the newer housing units in south Orange County, which is an area comprised of relatively new communities.

TABLE 11
MEDIAN AREA HOUSING SALES PRICES - NOVEMBER 1999 & 1998

Jurisdiction	November 1999	November 1998	% Change
City of Orange	$246,000	$226,500	8.6%
Anaheim	$209,000	$184,500	13.3%
Santa Ana	$190,000	$160,000	18.6%
Tustin	$258,500	$190,000	36.1%
Entire County of Orange	$256,250	$229,000	11.9%

Source: California Association of Realtors, March 2000.

Home values in Orange have increased over time, with home prices increasing 8.6 percent from November 1998 to November 1999. Compared to the County and surrounding cities, Orange experienced the lowest increase in housing prices, with an increase of 8.6 percent. This is consistent to information provided by a local real estate agent who feel that the for-sale housing market in Orange is slowing down. The County's home prices, in comparison, increased 11.9 percent, and the surrounding jurisdictions experienced an increase of housing values ranging from 13.3 to 36.1 percent. The significant jump in home prices in Tustin is reflective of newly developing areas in East Tustin.

According to data presented in Table 12 for homes sold in between January 2000 through August 2000 in Orange, the majority of the 953 housing units sold in the City were single-family dwellings (68 percent), compared to condominiums (32 percent). The overall median price for a three-bedroom single-family home during this period was $256,000, and most (85 percent) of the sales involved units with three and four bedrooms. A two-bedroom condominium in Orange sold for a median price of $159,900 during this period, and the majority (83 percent) contained two to three bedrooms.

TABLE 12
2000 ORANGE HOME SALES DATA

	# of Units Sold	Price Range	Median Price
Single Family Homes			
1-Bedroom	4	$120,000-$165,000	$130,000
2-Bedroom	33	$127,000-$437,500	$224,900
3-Bedroom	265	$170,000-$780,000	$256,000
4-Bedroom	291	$173,500-$1,050,000	$335,000
5-Bedroom	58	$173,500-$1,295,000	$390,000
6-Bedroom	2	$293,500-$1,050,000	$671,750
7-Bedroom	1	$410,000	$410,000
Condominium			
1-Bedroom	44	$51,660-$145,000	$97,245
2-Bedroom	161	$88,000-$229,000	$159,900
3-Bedroom	86	$128,000-$279,000	$204,000
4-Bedroom	8	$146,500-$170,950	$170.950

Source: Orange County Multiple Listing Service (provided by Toni Carlton), 2000.

According to HUD, affordable housing costs represent 30 percent or less of a household's annual income. Given the range of homes sold in Orange (see Table 12) and the estimated affordable home-ownership costs, as shown in Table 13 a moderate income household of four can afford to purchase a condominium and many two, three, and some four bedroom single-family homes. Affordable home ownership options for low-income households are more limited, with only smaller and older homes and condominiums within their range of affordability. Small units are not always suitable for family accommodation and may result in overcrowded living situations.

TABLE 13
MAXIMUM AFFORDABLE HOME PRICE BY INCOME CATEGORY: 2000 ORANGE COUNTY

Income Group	Maximum Income	Monthly Affordable Housing Cost	Utility Allowance	Property Taxes & Insurance	Affordable Monthly Mortgage Payment	Max. Affordable Mortgage	Max. Affordable Home Price
Very Low (0-50% MFI)	$34,800	$870	$125	$150	$595	$85,095	$93,605
Low[a] (51-80% MFI)	$48,720	$1,218	$125	$200	$893	$127,715	$140,490
Moderate (81-120% MFI)	$83,520	$2,088	$125	$200	$1,763	$252,140	$277,355

[a] HUD income limits for low income households are adjusted downwards in high-cost areas such as Orange County.

Note: Income is based on a 4-person household. Household income and affordable housing costs for smaller households are adjusted downward and household income and affordable housing costs for larger households are adjusted upward.

Calculation of affordable home sales price is based on a down payment of 10%, an annual interest rate of 7.5%, a 30-year mortgage, a monthly payment of 30% of the households gross income, and the HUD Median Family Income (MFI) of $69,600 for 2000.

In addition, some lower-income households may be able to afford the monthly mortgage payment, but the downpayment required to receive the mortgage loan may pose a severe burden on those households.

Rental Housing Cost

Current rental information for apartments and townhouse complexes in Orange with more than 100 units was obtained from *RealFacts*, a data service specializing in collecting rental data for communities across the state. A total of 18 complexes with more than 100 units, with a total of 2,884 units, exist in Orange. Rental rates for these complexes are summarized in Table 14. The vacancy rate for these complexes in December 1999 was 3 percent. Typically, rental rates in large complexes tend to be higher than in smaller complexes due to the higher level of management involved and the additional amenities provided. Nevertheless, this information presents a general picture of the current apartment rental market in Orange.

TABLE 14
DECEMBER 1999
APARTMENT RENTAL RATES IN ORANGE

Unit Type and Size	Average Rent	% Change from 12/98
Apartments		
Studio	$700	8.39%
1-Bedroom/1-Bath	$807	7.75%
2-Bedroom/1-Bath	$912	6.56%
2-Bedroom/2-Bath	$1,058	5.44%
3-Bedroom/2-Bath	$1,215	3.77%
Townhouses		
2-Bedroom	$1,135	20.11%
Total	$963	6.10%

Source: RealFacts, March 2000

According to a local real estate agent, privately owned condominiums and single-family homes are renting at higher rates than those found in the larger apartment complexes. In 1999, rental rates for condominiums ranged from a median of $988 for a one-bedroom unit, to a median of $1,395 for a three-bedroom unit. Rents for single-family homes in 1999 ranged from a median rent of $1,500 for a two-bedroom house to $3,100 for a five-bedroom house. These rental rate are continuing to increase since the rental market in Orange is tight.

Table 15 shows the affordable rental housing costs by income category for a four-person household. Affordability calculations were based on the County of Orange median family income and definition of affordability, i.e. 30 percent of monthly household income toward housing costs. The maximum affordable housing costs would be adjusted downward for smaller households. Also, HUD income limits for low-income households are adjusted downward in high-cost areas such as Orange County.

TABLE 15
AFFORDABLE RENTAL HOUSING COSTS: 1999
ORANGE COUNTY

Income Group	Max. Income	Monthly Affordable Housing Cost	Utility Allowance	Affordable Monthly Rent Payment
Very Low (0-50% MFI)	$34,150	$854	$50	$804
Low[1] (51-80% MFI)	$47,800	$1,195	$50	$1,145
Moderate (81-120% MFI)	$81,950	$2,049	$50	$1,999

[1] HUD income limits for low income households are adjusted downwards in high-cost areas such as Orange County.
Note: Calculation of affordable rent is based on a monthly affordable housing cost of 30% of gross income and on the HUD Median Family Income (MFI) for Orange County of $68,300 for 1999.

Comparing the rental rates in Table 13 with the affordable monthly rent payments in Table 15, rental rates for apartments and condominiums in Orange are affordable to low and moderate households, though low income households may not be able to afford adequately sized single-family homes. A very low income household of four can only afford the average priced one-bedroom unit of those apartment complexes surveyed. There may be older apartment units that very low-income households can afford, but these units are probably limited in supply, and as a result, very low-income households may experience overcrowded conditions or be faced with overpaying for adequately sized units. While some rental and ownership units in Orange are affordable to lower income households, the units are not necessarily occupied by lower income households.

2.5 ASSISTED HOUSING AT RISK OF CONVERSION

Housing Element law requires that all housing elements include an analysis of existing multi-family rental units which are at risk of conversion to market-rate housing during the next ten years due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. For this Housing Element, the "at-risk" analysis covers the period from July 1, 2000 to June 20, 2010.

Inventory of Assisted Housing Units in Orange

All multi-family rental units assisted under federal, State, and/or local programs, including HUD programs, State and local bond programs, redevelopment programs, and local in-lieu fee, inclusionary, density bonus, or direct assistance programs are included. The inventory was compiled by interviews with City staff, the Orange County Housing Authority, HUD, and review of "Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion" (California Housing Partnership Corporation) and "The Use of Housing Revenue Bond Proceeds - 1994" (California Debt Advisory Commission). Table 16 provides a description of assisted housing developments in the City of Orange. Based on this inventory, there are approximately 1,153 publicly assisted multi-family housing units in

Orange, of which 586 are senior units. No at-risk housing units were lost during the previous 10-year Housing Element planning period.

TABLE 16
CITY OF ORANGE
ASSISTED HOUSING PROJECTS

Housing Development (Ownership Status)	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Earliest Potential Conversion Date
1. Casa Ramon 820 Walnut (non-profit)	Family	75	75	Tax Credits Section 8	7/2055
2. Friendly Center 451-53 Lemon Street (non-profit)	Family, Elderly, Disabled	8	8	Section 221(d)(3) Section 8	8/1/11 Annual Renewal
3. Community Garden Tower 3919 Garden Grove (non-profit)	Elderly	210	210 170 Sec8	Section 236(j)(1) Section 8	2017 2002
4. Garden Tower West 4001 Garden Grove (non-profit)	Elderly	122	122	Section 202 Section 8	11/1/2022 2/18/2002
5. Palmyra Apartments 301 S. Glassell St. (private)	Elderly	50	10	Redevelopment Housing Set-Aside Funds Multiple-Family Revenue Bond Program	2007
6. Casas Del RIO 1740 E. La Veta Ave. (non-profit)	Elderly, Disabled	40	39	Section 811 Section 8	3/1/28 10/25/07
7. Triangle Terrace 555 S. Shaffer St. (non-profit)	Elderly	75	75	Section 202 Section 8	6/1/28 3/9/08
8. Orchid Gardens 1051 N. Glassell St. (private)	Elderly	33	17	Density Bonus	In perpetuity
9. Citrus Village 548-564 North Citrus St. (private)	Family	47	22	Redevelopment Housing Set-Aside Funds	2015
10. Parker Apartments 161 North Parker St. (non-profit)	Family	3	2	Redevelopment Housing Set-Aside Funds	2050
11. Fairway Manor/Chestnut Place 1745 East Fairway Dr. (non-profit)	Elderly	50	50	Redevelopment Housing Set-Aside Funds Tax Credits	2051
12. Pixley Arms 537 West Almond Ave. (non-profit)	Elderly	15	15	Redevelopment Housing Set-Aside Funds Tax Credits OCHA Operating Reserve	In Perpetuity

TABLE 16
CITY OF ORANGE
ASSISTED HOUSING PROJECTS

Housing Development (Ownership Status)	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Earliest Potential Conversion Date
13. Walnut Court 1519 East Walnut Ave. (non-profit)	Family	7	7	Redevelopment Housing Set-Aside Funds Tax Credits OCHA Operating Reserve	In Perpetuity
14. Alice Clark Orange Blossom Apartments 141 East Walnut Ave. (non-profit)	Elderly	4	4	Redevelopment Housing Set-Aside Funds	2052
15. The Knolls/Villa Santiago 3138 East Maple Avenue (non-profit)	Family	255	255	Redevelopment Housing Set-Aside Funds Tax Exempt Bonds Tax Credits	2051
16. Plaza Garden Apartments 1907, 1935, 1943, & 2003 E. Monroe Ave. 1934, 1942, & 2002 E Quincy Ave. (private)	Family	56	56	Redevelopment Housing Set-Aside Funds	2052
17. Orange Garden Apartments 1931, 1941, & 2003 E. Quincy Ave. (private)	Family	24	24	HOME	2052
18. Harmony Creek Apartments 1616 E. Rock Creek Dr. (non-profit)	Elderly	83	83	Redevelopment Housing Set-Aside Funds HOME Tax Credits	2053
19. Adams Triplex I 1837-1841 E Adams Ave. (non-profit)	Family	3	3	Redevelopment Housing Set-Aside Funds HOME	2027
20. Adams Triplex II 1915-1919 E Adams Ave. (non-profit)	Family	3	3	Redevelopment Housing Set-Aside Funds HOME	2053
21. Adams Triplex III 1741-1745 E. Adams Ave. (non-profit)	Family	3	3	Redevelopment Housing Set-Aside Funds	2054
22. Rose Avenue Apartments 1743 E. Rose Ave. (non-profit)	Family	6	6	Redevelopment Housing Set-Aside Funds HOME	2053
23. Town & Country Apartments/Orangevale Townhomes 1300 N. Shaffer St. (private)	Family	64	64	Tax Exempt Bonds	2053

Sources: Housing Element, City of Orange, August 1993; HUD Inventory of Section 8 projects, 2000; Redevelopment Agency, City of Orange, 2000; California Housing Partnership Corporation, 1999; California Debt Advisory Commission (1994).

Loss of Assisted Housing

This section evaluates those lower income multi-family rental projects in Orange that are at-risk of converting to market-rate uses prior to June 30, 2010. As shown in Table 17, six affordable housing projects are considered to be at-risk during this time period: Friendly Center (1998), Community Garden Tower (2002), Garden Tower West (2002), Casas del RIO (2007), and Triangle Terrace (2008). The following discusses the at-risk projects by funding source.

TABLE 17
AT-RISK ASSISTED HOUSING INVENTORY

Housing Development (Ownership Status)	Tenant Type	Total Number of Units	Number of Assisted Units	Applicable Programs	Earliest Potential Conversion Date
Friendly Center 451-53 Lemon Street (non-profit)	Family, Elderly, Disabled	8	8	Section 221(d)(3) Section 8	8/1/11 Annual Renewal
Community Garden Tower 3919 Garden Grove (non-profit)	Elderly	210	210 170 Sec8	Section 236(j)(1) Section 8	2017 2002
Garden Tower West 4001 Garden Grove (non-profit)	Elderly	122	122	Section 202 Section 8	11/1/2022 2/18/2002
Palmyra Apartments 301 S. Glassell St. (private)	Elderly	50	10	Redevelopment Housing Set-Aside Funds Multiple-Family Revenue Bond Program	2007
Casas Del RIO 1740 E. La Veta Ave. (non-profit)	Elderly, Disabled	40	39	Section 811 Section 8	3/1/28 10/25/07
Triangle Terrace 555 S. Shaffer St. (non-profit)	Elderly	75	75	Section 202 Section 8	6/1/28 3/9/08

Sources: Housing Element, City of Orange, August 1993; HUD Inventory of Section 8 projects, 2000; Redevelopment Agency, City of Orange, 2000; California Housing Partnership Corporation, 1999; California Debt Advisory Commission (1994).

Section 8 At-Risk Projects

Five at-risk housing projects in the City of Orange maintain Section 8 project-based contracts with HUD subject to contract renewals. To reduce the risk of losing affordable units when the Section 8 contracts expire, HUD has provided funding for the Mark-to-Market and Mark-Up-to-Market programs.

Typically, Section 8 units that have above Fair Market Rents are not considered at-risk because they are eligible to participate in the *Mark-to-Market* program. Under this program,

owners are given favorable tax treatment provided that they preserve units at rents affordable to low and moderate income households. Eligible projects include FHA-insured projects receiving Section 8 project-based assistance, where rents exceed Fair Market Rents (FMR). According to HUD, Section 8 projects in Orange that are renting at rates above the Fair Market Rents include Garden Tower West (117 percent FMR) and Casas del RIO (121 percent FMR).

Units renting at below fair market rents can participate in HUD's *Mark-Up-to-Market* program. This program encourages owners to remain in the Section 8 program by allowing rents to be marked up to comparable market rents, not exceeding 150 percent of the fair market rents. Three Section 8 projects in Orange are currently renting at below Fair Market Rents: Friendly Center (81 percent FMR), Community Garden Tower (67 percent FMR), and Triangle Terrace (95 percent FMR).

The following describes all five projects with expiring Section 8 contracts, although all are considered at low risk of conversion.

Friendly Center: Friendly Center is an eight-unit apartment project with three one-bedroom, four two-bedroom, and one three-bedroom units. Friendly Center was assisted with HUD Section 221(d)(3) market rate mortgage insurance assistance. Because Friendly Center is owned by a non-profit, the project is required to remain as low income housing for the 40-year mortgage insurance term, which will terminate in 2011. While unable to prepay its mortgage insurance assistance, the project's Section 8 contract is annually renewed by HUD. In this regard, Friendly Center is at-risk of losing the affordability control governed by the Section 8 contract. Since the rents at this project are below Fair Market Rents, it is eligible for the Mark-Up-to-Market program.

Community Garden Tower: Community Garden Tower is a non-profit owned senior housing project with 210 one-bedroom units for elderly persons. This project was developed under the Section 236(j)(l) program, and maintains Section 8 contracts on 170 of the units. Community Garden Tower (along with Garden Tower West described below) is currently in escrow for transfer of ownership to a non-profit controlled limited partnership under HUD's mark-up-to-market program, combined with a restructuring of the mortgage debt. (Under this program, rents can be raised up to 150% FMR as an incentive to enter into long term 30 year use agreements that commit the owner to renew the Section 8 contracts). The project's limited partnership purchaser applied to CDLAC (California Debt Allocation Committee) in June 2001 for tax exempt bonds and 4% low income housing tax credits to undertake major rehabilitation improvements on the project of approximately $10,000/unit. Award of these funds will impose a 55 year regulatory agreement, ensuring affordability of 70% of project units at 60% MFI, and 30% of project units at 50% MFI. (In actuality, the 30 year Section 8 contract commitment will provide affordability at the 50% MFI level). In addition, the new project purchaser is applying to the Housing Authority for Section 8 contracts for the 40 units not currently covered under Section 8.

The project is considered at low risk of conversion as it is fully expected to receive the bond and tax credit allocation from CDLAC. The project (combined with Garden Tower West) was awarded an earlier allocation in 2001, but was required to release the allocation due to an

interpretation that a 12 month tenant noticing requirement regarding transfer of ownership applied to these projects even though the affordability agreements were not being removed. The project purchaser has since complied with all tenant noticing requirements.

Garden Tower West: Garden Tower West is a non-profit owned senior Section 202 project with Section 8 contracts on all 122 one-bedroom units. This project is packaged with Community Garden Tower (described above) for purchase by the same non-profit controlled limited partnership under HUD's Mark-Up-to-Market program. This project is considered at low risk of conversion as it is in line to receive bond and tax credit financing for major rehabilitation improvements in exchange for 55 year affordability controls. In addition, under the Mark-Up-to-Market program, the project purchaser will enter into a 30 year use agreement which commits the owner to renew Section 8 contracts with HUD.

Casas Del RIO: Casas Del RIO is a 40-unit project, of which 39 units have low income use restrictions (10 studio, 24 one-bedroom, and five-two-bedroom units). Casas Del RIO was developed under the HUD Section 811 program, and as such, is not eligible to convert to market-rate housing prior to the 40-year mortgage term which ends in 2028. The project's Section 8 contract expires in 2007, but as the project's rents exceed the Fair Market Rent, it will be eligible for the Mark-to-Market program.

Triangle Terrace: Triangle Terrace is a 75-unit senior complex owned by a non-profit with 19 studio and 56 one-bedroom apartments. Like Casas Del RIO, Triangle Terrace was constructed under the HUD Section 202 program, and the 40-year mortgage term will expire in 2028. The project's Section 8 contract will expire in 2008, but unlike Casas Del RIO, it is not eligible for the Mark-to-Market program, and as it is owned by a non-profit, it is not eligible for the Mark-Up-to-Market program.

According to a risk assessment conducted by the California Housing Partnership Corporation (CHPC), Friendly Center, Garden Tower West, Casas Del RIO, and Triangle Terrace are at "low risk" of converting to market rate units during the period of 2000 to 2010. All of these are considered low risk since they are owned by non-profits and are subject to additional restrictions against opting out or prepayment. Garden Tower West and Casas Del RIO are also eligible to participate in the Mark-to-Market program. Based on the CHPC's criteria, Community Garden Tower would also be considered low risk since it is owned by a non-profit and is subject to additional restrictions.

Mortgage Revenue Bond At-Risk Projects

Projects financed by mortgage revenue bonds are required to provide 20 percent of the units to households earning 80 percent or less of the area median income for a period of no less than one-half the term of the bond. A typical bond-financed project has a 20-year term. In Orange, the only mortgage revenue bond project at-risk of conversion between 2000 through 2010 is the Palmyra Apartments. The Palmyra Apartment units are the only units with a high risk of conversion to market rate during this planning period.

Palmyra Apartments: The Palmyra Apartments is a 50-unit senior housing project financed in part through the Redevelopment Agency. For this project, the Redevelopment Agency

issued Multi-Family Mortgage Revenue Bonds in exchange for 20-year low-income use restrictions on 20 percent of the units in the project (10 units). This project was refinanced with private funding and is no longer subject to the affordability constraints of the bond financing. The City was working with the property owner to pursue additional mortgage revenue bond financing, but the property owner choose to utilize private funding because it was more economically feasible. The project is still subject to the affordability limits associated with the deed restrictions required by the original Redevelopment Agency assistance. The low income use restrictions on this project will expire in 2007.

Preservation and Replacement Options

Preservation or replacement of the six at-risk projects in Orange can be achieved in several ways: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; 3) replacement or development of new assisted multi-family housing units; and/or 4) purchase of affordability convenants. These options are described below, along with a general cost estimate for each.

Transfer of Ownership

Transferring ownership of for-profit at-risk projects to non-profit organizations is perhaps the least costly way to ensure that for-profit units remain affordable in the long-term. Of the at-risk units in Orange, transfer of ownership to a non-profit is only applicable to the Palmyra Apartment project since the remainder of the projects are already owned by non-profit organizations. While a for-profit complex, the transfer of ownership of the Palmyra Apartments is not feasible since only 20 percent of the Palmyra Apartments are affordable to lower income households, and it is not cost-effective to purchase the entire apartment complex.

A partnership of OHDC and Related Capital recently acquired Casa Ramon, a 75-unit project that was previously at-risk. The City authorized the issuance of bonds by California Statewide Communities Development Authority (CSCDA) to enable the ownership transfer to occur. By authorizing this transaction, the City extended the affordability term of Casa Ramon for an additional 55 years.

Rental Assistance

Currently, availability of funding for Section 8 contract renewal is uncertain. With the exception of Palmyra Apartments, all of the at-risk projects have Section 8 contracts. Rent subsidies can be used to maintain affordability at these projects using State, local, or other funding sources. Rent subsidies can be structured to mirror the Section 8 program. Under Section 8, HUD pays owners the difference between what tenants can pay (defined as 30 percent of household income) and what HUD and the local Housing Authority estimate to be the Fair Market Rent (FMR) on the unit. This program can be implemented through vouchers, which allow the tenants to choose where they want to live.

The feasibility of this alternative, in the case of the property owners, depends on their willingness to accept rental vouchers. In terms of cost-effectiveness, rental subsides are less

costly than constructing new assisted housing, as shown in Table 18. Given the bedroom mix of all 464 at-risk units, the total cost of subsidizing the rents for these units is estimated at $48,435 monthly, or approximately $581,220 annually, translating to $11.6 million in subsidies over a 20-year period.

TABLE 18
RENT SUBSIDES REQUIRED

Section 8/Subsidized At-Risk Units	Friendly Center	Community Garden Tower	Garden Tower West	Casas Del RIO	Triangle Terrace	Palmyra Aparts.
Studio	0	0	0	10	19	0
1-Bedroom	3	210	122	24	56	10
2-Bedroom	4	0	0	5	0	0
3-Bedroom	1	0	0	0	0	0
Total Monthly Rent Income Supported by Very Low Income Households	$5,450	$132,930	$77,226	$24,137	$45,860	$6,330
Total Monthly Rent Allowed by Fair Market Rents	$6,808	$147,840	$85,888	$27,701	$51,679	$7,040
Total Monthly Subsidies Required	$1,358	$14,910	$8,662	$6,564	$16,231	$710
Total Annual Subsidies Required	$16,296	$178,920	$103,944	$78,768	$194,772	$8,520

Construction or Purchase of Replacement Units

The construction of new low income housing units is a means to replace at-risk units should they be converted to market rates. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. number of bedrooms), location, land costs, and type of construction. According to City staff and a non-profit developer with experience developing multi-family housing in Orange, the average cost for vacant, multi-family land in Orange is $20/square foot and the development cost, without land costs, can be approximately $100/square foot inclusive of soft costs and fees. Based on an average density of 18 units per acre, an average unit size (1-bedroom unit equals 600 square feet and 2- and 3-bedroom units equal 900 square feet), and the same bedroom mix as the existing units, the cost to replace the 464 at-risk units would be approximately $50 million.

Instead of constructing new affordable units, similar existing units may be purchased to replace those at-risk. Based on current median rents ($700 for a studio, $807 for a 1-bedroom, $985 for a 2-bedroom, and $1,215 for a 3-bedroom), average bedroom size (as stated above), a vacancy rate of five percent, annual operating expenses of $4.00 per square foot, and a multiplication factor of 11 to multiply with the annual net project income, the total cost to replace the 464 at-risk units through the purchase of similar existing units with the same bedroom mix could generally be estimated at around $31,000,000.

Purchase of Affordability Convenants

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as low-income housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy received to market levels. The feasibility of this option depends on whether the complexes require rehabilitation or are too highly leveraged. By providing lump

sum financial incentives or on-going subsides in rents or reduced mortgage interest rates to the owner, the City can ensure that some or all of the units remain affordable.

Cost Comparison

The cost to construct new housing to replace the 464 at-risk units with the same bedroom mix, assuming there is sufficient land available, is high, with an estimated cost of $50,000,000. This cost estimate is higher than the cost to purchase 464 similar existing units, which is estimated at approximately $31,000,000.

Use of other forms of rent subsidies to replace rental assistance, such as Section 8, does not ensure long-term affordability. The cost associated with rent subsidies is lower, requiring a total of approximately $581,220 monthly, or $11.6 million over a 20-year period. While not ensuring long-term affordability, this option may be appropriate for extending the affordability of the Palymra Apartments at-risk units. The purchase of affordability covenants is another possible option for the 10 at-risk units in the Palmyra Apartments. However, since Palymyra's property owner was previously offered refinancing assistance by the Redevelopment Agency and instead chose to use private financing, the owner may not be willing to enter into long term affordability convenants, and therefore rental subsidies paid with Redevelopment Set-Aside funds may be more likely. Since the 10 units only require an estimated $8,520 in annual rental subsidies, this preservation option is also the most cost effective for the City.

Overall, providing rental subsidies for the Palmyra Apartments and providing continued rental subsidies for those at-risk complexes already under ownership of non-profits are probably the most effective means to preserving the at-risk housing projects in Orange.

3. CONSTRAINTS ON HOUSING PRODUCTION

3.1 MARKET CONSTRAINTS

As is the case in much of Southern California, the high cost of renting or buying housing is the primary ongoing constraint to providing adequate housing in the City of Orange. High construction costs, labor costs, land costs, and market financing constraints all contribute to limiting the availability of affordable housing.

Construction and Land Costs

A major cost associated with building a new house is the cost of building materials. Costs for wood frame, single-family construction of average to good quality range from $50 to $70 per square foot, while custom homes and units with extra amenities run higher. Costs for wood frame, multi-family construction average about $50 per square foot, exclusive of parking.

A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sale prices. In addition, pre-fabricated, factory-built housing may provide for lower priced housing by reducing construction and labor costs. Another factor related to construction costs is the number of units built at one time. As the number of units built at once increases, construction costs over the entire development are generally reduced based on economies of scale. This cost reduction is of particular benefit when density bonuses are used for providing affordable housing.

A number of variables impact the cost of residential land, including location, site preparation, density permitted, improvements required, and related issues. During the past decade, the cost of improved land has consumed a larger share of total production costs, with the proportion attributed to labor and materials declining. According to the City's Real Property Agent, an individual single-family lot costs between $11 to $19 per square foot, with an average of $13 to $14 per square foot. Multi-family lots cost more, ranging from $19 to $20 per square foot.

3.2 FINANCING

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower-income households. In addition, government-insured loan programs may be available to reduce mortgage downpayment requirements.

The Community Reinvestment Act (CRA) of 1977 regulates community bank lending practices in lower income neighborhoods. A lender or insurer cannot deny an applicant a loan solely based on location. Similarly, an applicant cannot be denied a loan based on

different or subjective underwriting standards within a market area. The same type of credit must be extended to all applicants with similar credit history, employment record, financial condition, and loan-to-value ratio.

Under the CRA, banks are also required to lend within low- and moderate-income communities, to have meaningful communication with members of the community regarding banking services, and to market or provide special credit-related information programs to make residents aware of the bank's credit services. It is believed that if local banks increase budgeted funds for well-publicized community banking programs and services, they will improve the economic livelihood of the community they serve. If a local bank shows poor participation within low- and moderate-income neighborhoods, the federal banking system can deny the application of national banks to merge or expand.

One way to monitor the lending practices in a community is the Home Mortgage Disclosure Act (HMDA), which requires major lending institutions to disclose the number, amount, and location of mortgage and rehabilitation loans originated or purchased. Overall, financing is generally available to homebuyers and homeowners in Orange. As depicted in Table 19, 77 percent of the 5,488 applications submitted for conventional home purchase loans in Orange in 1998 were approved, and 12 percent were denied, with the remaining 10 percent of the applications withdrawn or closed for incompleteness. This local loan approval rate compares favorably with the national average of 60 percent. Loan approval rates for low-income households, while slightly lower than the Citywide average at 71 percent, is significantly higher than the nationwide rate of 48 percent.

As is generally the case, the approval rates for home improvement loans are much lower than home purchase loans. In 1998, 67 percent of the 594 applications submitted for conventional improvement loans were approved, indicating the continued need for City assistance in providing home improvement loans, especially for lower income applicants.

TABLE 19
DISPOSITION OF CONVENTIONAL LOAN APPLICATIONS: 1998

Applicant Income	Home Purchase Loans				Home Improvement Loans			
	Total Applications	% Approved	% Denied	% Other	Total Applications	% Approved	% Denied	% Other
Low Income (<80% MFI)	803	71.0%	19.6%	9.6%	114	57.9%	38.6%	3.5%
Moderate Income (80-119% MFI)	1,210	78.8%	12.3%	8.8%	121	62.8%	25.6%	11.6%
Upper Income (≥120% MFI)	3,179	80.1%	9.7%	10.2%	325	68.9%	23.7%	7.4%
Not Available	296	60.8%	17.9%	21.3%	34	88.2%	5.9%	5.9%
Total	5,488	77.4%	12.2%	10.3%	594	66.7%	25.9%	7.4%

Note: Approved loans include those loans that were originated (i.e. approved and accepted) and those loans that were approved, but the applicant did not choose to accept the loan.
Source: Home Mortgage Disclosure Act (HMDA) data for 1998. Tabulated with the Centrax software.

In addition to conventional financing, approximately 10 percent of mortgage loan applications in Orange are for government backed loans, including FHA-insured, VA-guaranteed, and FmHA-insured loans. As shown in Table 20, the approval rate for these mortgage loans was 81 percent, slightly higher than for conventional loans, but noticeably higher among low and moderate-income groups. Overall, government backed home improvement loans had a low average rate of approval (48 percent overall approval rate), again indicating the need for further assistance for home improvement loans.

TABLE 20
DISPOSITION OF GOVERNMENT BACKED LOAN APPLICATIONS: 1998

Applicant Income	Home Purchase Loans				Home Improvement Loans			
	Total Applica-tions	% Approved	% Denied	% Other	Total Applica-tions	% Approved	% Denied	% Other
Low Income (<80% MFI)	270	80.5%	12.6%	7.4%	30	36.7%	46.7%	16.7%
Moderate Income (80-119% MFI)	206	85.0%	7.8%	7.3%	23	56.5%	39.1%	4.3%
Upper Income (≥120% MFI)	87	83.9%	8.0%	8.0%	46	50.0%	34.8%	15.2%
Not Available	29	44.8%	6.9%	48.3%	8	50.0%	12.5%	37.5%
Total	592	80.6%	10.0%	9.5%	107	47.7%	37.4%	14.9%

Note: Approved loans include those loans that were originated (i.e. approved and accepted) and those loans that were approved, but the applicant did not choose to accept the loan.
Source: Home Mortgage Disclosure Act (HMDA) data for 1998. Tabulated with the Centrax software.

Even if mortgage financing is generally available to households in Orange, a more critical impediment to homeownership is the overall high cost of housing and the inability of many potential buyers to fulfill downpayment and closing cost requirements.

3.3 GOVERNMENTAL CONSTRAINTS

Housing affordability is affected by factors in both the private and public sectors. Actions by the City government can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees, and other local programs intended to improve the overall quality of housing may in fact serve as a constraint to housing development and affordability.

Land Use Controls

General Plan Land Use Element and Zoning Ordinance

The City of Orange presently has four General Plan residential land use categories: Estate Density, Low Density, Low Medium Density and Medium Density. The applicable density ranges and the corresponding zone districts are identified in Table 21. The City of Orange Zoning Ordinance (Orange Municipal Code, Title 17) specifies the standards for the development of residential properties in the City and limits density to the maximums set forth

in the Land Use Element. Table 17.14.070, Residential Development Standards, of the Zoning Ordinance is included in Appendix D of the Housing Element.

TABLE 21
RESIDENTIAL LAND USE DESIGNATIONS

Residential Designation	Density/Intensity	Corresponding Zone District (s)
Estate Density	1-2 du/acre	R1-20, R1-40
Low Density	2-6 du/acre	R1-6, R1-7, R1-8, R1-10, R1-12, R1-15
Low Medium Density	6-15 du/acre	R2-6, R2-7, R2-8, R-3
Medium Density	15-24 du/acre	R-3, R-4

Notes: R1 categories = single-family, R2 categories = duplexes, and R-3 and R-4 = multi-family.
Source: Table LU-2 of the City of Orange General Plan, 1989.

As of 1999, the incorporated City limits contained 41,375 total housing units. General Plan residential land use policy will allow for up to 49,466 units within the planning area, assuming that all lands in the City of Orange designated for residential use are built out at the typical density identified in the General Plan. This represents a potential net gain of 8,091 units. The SCAG Regional Housing Needs Assessment calls for Orange to provide 3,205 units during the 2000-2005 planning period. General Plan land use policy does not place any constraints on achieving this goal, since adequate land is available for residential use within the City and its Sphere of Influence.

The City Council has adopted a policy that establishes a target goal of allocating 20 percent of the annual production of new residential housing as affordable to very low-, low-, and moderate-income households for projects of 11 or more dwelling units (Zoning Ordinance, Section 17.14.015).

General Plan regulations establish a maximum residential density of 24 units per acre as indicated on the General Plan Land Use Policy Map. However, the zoning ordinance provisions do not guarantee that the maximum General Plan density is achievable for all projects and properties. Development density is dependent on many factors, including lot configuration, topography, unit size, development standards, neighborhood context, and other discretionary factors (Section 17.14.010).

Density bonuses of up to 25 percent may be granted for projects providing housing for lower-income families and the elderly. A density bonus greater than 25 percent may be granted if a higher percentage of units beyond the minimum eligibility requirements within a housing development are designated for seniors and/or very low- or lower-income households (Section 17.14.310 and 17.14.370).

The zoning ordinance encourages the development of senior citizen housing and incentives through Section 17.14.270-330 (Senior Citizen Housing), including a minimum tenure requirement of 30 years when a density bonus and an additional incentive is granted, and a minimum of 10 years when only either a density bonus or an incentive is granted.

Section 17.14.340-420 (Affordable Housing) of the zoning ordinance details comparable incentives and requirements for the development of dwelling units affordable to very low-

and lower-income households.

Accessory second housing units are permitted with a conditional use permit (CUP) in all but one single-family zoning district, and this one district (R1-5) includes the City's smallest single-family lots (a minimum required lot area of 5,000 square feet) where second units are unlikely to be accommodated due to small lot size.

Emergency shelters and transitional housing facilities are allowed in R-3, R-4, OP, CP/C-1, CTR, C-2, and C-3 zones; all with a conditional use permit. A CUP is required since each use has unique characteristics, which require consideration on a case-by-case basis. The City has approved a number of such uses, and conditions generally address issues such as parking and recreation areas (particularly where children are involved). Conditions have not been overly restrictive, and allow for operation of various types of developments providing temporary housing. In addition, the City encourages and assists the development and operation of emergency shelters and transitional housing within the City through the use of its Community Block Grant Funds, including the provision of funding for Casa Teresa and Interval House.

Based on the City of Orange General Plan Land Use Element and zoning ordinance, adequate land use policy and zoning mechanisms are in place to encourage affordable housing development.

Development Standards

The City of Orange Zoning Ordinance contains residential requirements for lot coverage, set backs, parking, landscaping, and open space that are considered standard for suburban communities in Orange County and Southern California. Table 17.14.070, Residential Development Standards, of the Zoning Ordinance is included in Appendix D of the Housing Element and identifies the lot coverage, set backs, as well as other residential development standards required in Orange. Mobile homes and manufactured homes with permanent foundations are permitted by right in all residential zones. The City has enacted an ordinance and supports the creation of accessory second units ("granny flats").

The City also utilizes the office of the Zoning Administrator, which was established to perform certain duties for the following official purposes:

1. To provide a means of appeal by an applicant requesting relief from administrative determinations, actions, and decisions;

2. To provide a method by which minor adjustments from ordinance requirements may be permitted without the necessity of the delays incident to the setting of such matters for public hearing before the Planning Commission;

3. To relieve the Planning Commission from the performance of certain functions of a more routine nature which tend to divert this body from the planning and major zoning functions entrusted to said Commission by the Orange Municipal Code and the laws of the State; and

4. To provide better and faster service to the citizens of the City and to those persons desiring to develop projects within the City through the reduction of the time necessary to consider minor adjustments from ordinance requirements.

The zoning ordinance specifies maximum floor-area ratios (FARs) for R-1 and R-2 zones, ranging from 0.40 to 0.70, depending on lot size. Development in the R-3 zone is limited to 45 percent lot coverage for two-story structures, and 55 percent coverage for one-story structures. Development in the R-4 zone is permitted up to 60 percent lot coverage. Mobile homes are permitted a 70 percent lot coverage of the mobile home space.

The required minimum distance between a mobile home and another mobile home is 10 feet from side to side, eight feet from side to front or rear, and six feet from rear to rear, or front to front, or front to rear. In addition, mobile homes must be located a minimum of 3 feet from all lot lines, except that no setback is required when a lot line borders an interior roadway.

The Zoning Ordinance establishes a minimum floor area per unit in R3 and R4 districts as follows: studio – 550 sq.ft., 1 bdrm – 600 sq.ft., > 1 bdrm – 600 sq.ft. + 150 sq.ft. for each additional bedroom. Senior housing is permitted reduced unit sizes as follows: efficiency – 450 sq.f.t, 1 bdrm – 550 sq.ft., 2 bdrm – 750 sq.ft., room & board – 400 sq.ft. These minimum unit sizes are viewed as constraining, and may be reduced for affordable projects.

The City's off-street parking requirements (Section 17.34.060) are generally two spaces per unit in R-1 and R-2 zones, with only one space in the R-2 zone required to be enclosed. Off-street parking in R-3 and R-4 zones is based on the following number of bedrooms per unit: 1.2 spaces for studio units, 1.7 spaces for one-bedroom units, 2.0 spaces for two-bedroom units, and 2.2 spaces for three- or more bedroom units. A minimum of one space per R-3 and R-4 unit shall be covered either in a carport or garage, and a minimum of 0.2 spaces per unit shall be provided as easily accessible and distinguishable guest parking. These parking standards are considered reasonable and necessary given the shortage of on-street parking in Orange, and have not served as a constraint to development. The City has a strong track record providing modified parking standards for affordable projects, such as the Walnut Court family housing project. Mobile Home Parks require 2.0 spaces per unit, one of which must be covered, and one guest parking space per three mobile homes. The City only requires one additional off-street, unenclosed parking space for second units (Section 17.14.060). The City's Zoning Ordinance (Section 17.14.310) provides for the reduction of on-site parking requirements for senior housing projects to one space per unit, such as was approved for Fairway Manor/Chestnut Place, Pixley Arms, and Harmony Creek Apartments. These requirements may be further modified to allow for additional reductions, such as a reduction in the amount of enclosed parking, if approved by the Planning Commission.

The zoning ordinance (Section 17.14.070) requires usable open space to be provided in all residential developments according to the following standards: 875-2,000 square feet per unit in R-1 zones; 350 square feet per unit in R-2 zones; 250 square feet per unit in R-3 zones; 150 square feet per unit in R-4 zones; and 200 square feet per mobile home space in MH zones.

Local building codes conform to accepted State standards and are enforced through practices similar to those in surrounding cities. The City conducts sensitive enforcement of its building codes, providing property owners in violation of City codes with information on available rehabilitation programs. The continued construction of new residential units in Orange attests that the entire development process, including subdivision and development controls, is not overly cumbersome or costly compared to the region as a whole.

The City also has street dedication requirements for new developments, with the developer constructing the street (typical local street right-of-way of 60 feet, with 36-foot curb-to-curb paving). After construction is complete, the roadway is then dedicated to the City. The City also participates in two subregional programs designed to mitigate traffic impacts resulting from new development. The Traffic System Improvement Program (TSIP) requires developers to pay fees for street improvements. The Major Thoroughfare and Bridge Fee Program is a County-administered fee program that applies to the eastern and southern portions of Orange County.

Fees

Orange currently assesses typical fees for zoning activities, subdivision processing, street trees, utility hook ups, transportation system improvements, park development, police and fire facilities, inspections, and grading and building permits. In addition, the school districts assess school fees from new development. The Community Development Department charges permit processing fees for various applications related to housing. For example, a fee is charged for the review and processing of a residential subdivision application. Once the final subdivision map is approved and a developer is ready to construct the project, assessments for parkland, street trees, utilities, and the like must be paid. Fees for residential development are listed in Table 22.

Also, the Orange Municipal Code requires fireproof roofing materials in areas adjacent to brush areas. This requirement could increase the cost for construction of new housing where these provisions apply.

Two fees identified in Table 22 may initially appear high – Development Agreements ($11,000 deposit) and Major Land Use applications ($3,000 deposit) – and warrant further explanation. Development agreements are used as a tool to provide additional assurance to a developer that a development project may proceed in accordance with existing rules, and have been used on very large projects, such as Serrano Heights and Santiago Hills II. The applicability of Major Land Use applications for residential projects is also quite limited in Orange, given the size thresholds and scarcity of large sites which meet this criteria. The fees on both Development Agreements and Major Land Use applications are structured as deposits, with the applicant only charged for actual staff time expended and unexpended funds refunded to the applicant. In addition, the scale of projects subject to these fees are so large, their relative per unit impact is minimized.

TABLE 22
FEES CHARGED FOR RESIDENTIAL DEVELOPMENT
CITY OF ORANGE
(Minor Land Uses*)

Type of Fee	Cost
Building Permit	Based on project valuation
Design Review Board	
Site, Building Elevations & Landscaping/Irrigation	$300
Signs & Sign Programs	$140
Staff Review Committee	
Minor Site Plan Review Applications	$400
Zoning Administrator	
Conditional Use Permit & Variance Applications	$500
Administrative Adjustments	$150
Planning Commission	
Conditional Use Permit & Variance Applications	$975
Major Site Plan Review	$1,025
Tentative Tract Map Applications	$1,285 + $30 per acre
Zoning Change Applications	$1,165 + $13 per acre
Negative Declaration (environmental review)	$375
Modification to CUP, Major Site Plan Review or Variance Applications	$925
Time Extension for CUP, Variance, Major Site Plan Review or Tentative Tract Map Applications	$300
Mitigation Monitoring Fee	
Mitigated Negative Declaration	$500 deposit/Billed @ $78/hour
Environmental Impact Report (EIR)	Deposit Required
Appeals to City Council or Planning Commission	$350
Refund Processing Change	$10
Staff Research	
Requests that require staff to research and prepare a written response, such as whether a non-conforming structure or use can be replaced.	Executive Staff - $112/hour Professional Staff - $78/hour Technical Staff - $63/hour
Mills Act Program	
Original Application Fee	$400
Inspection/Annual Report	$35
In-Lieu Parking Replenishment & Replacement Fees in the Downtown Plaza District	
For each new parking space required	$2,100
For each required parking space removed	$7,000
Project Fee when application fee is not required	
Projects that do not require a Planning Division application fee, but require a public hearing before the Planning Commission or City Council, such as a parcel map.	$500 deposit/Billed @78/hour
Copies	
Photocopy	$.10
Microfilm	$.40
Special District/Impact Fees	
Sanitation District	$1,130-$2,350/unit
Eastern Foothill Transportation Corridor	$1,621-$2,785/unit
Park Acquisition	$3,872-$7,040/unit

TABLE 22
FEES CHARGED FOR RESIDENTIAL DEVELOPMENT
CITY OF ORANGE
(Minor Land Uses*)

Type of Fee	Cost
Transportation System Improvement Program (TSIP)	$473-$565/unit
Police Facility	$354.89/unit
Fire Facility	$234-$810/unit
City Sewer Connection	$75/unit

* Major land use applications, except for Development Agreements, require a $3,000 deposit. Development Agreements require an $11,000 deposit. A major land use application meets one or more of the following criteria: 1) 20 acres or more in size; 2) 80 lots or more; 3) Mixed use or high rise development; 4) Requires an EIR, General Plan Amendment, or Specific Plan; 5) Within the City's hillside areas; 6) Planned unit development, condominium or apartment project involving 50+ units, or 5+ acres; or 7) Development agreement.

Source: City of Orange Community Development Department, 2000.

Fees and exactions do result in increased housing costs. The City conducted a survey in 1998 and 1999 to review all fees imposed for various municipal functions. The purpose of the study was to ensure that fees are legitimate and that the amounts charged reflect actual costs. Based on this survey, the City recently revised its fee schedule in 2000 to reflect the actual cost of for each function, raising some fees while significantly lowering the building permit fee. Compared to surrounding jurisdictions, the fees charged by Orange are not excessive. Similarly, the City's dedication and improvement requirements are devices commonly used by cities to receive public improvements that directly benefit the future residents of a development.

Building Codes and Enforcement

The City of Orange has adopted the most recent version of the Uniform Building Code (UBC). This code is considered the minimum necessary to protect the public health, safety, and welfare. The local enforcement of the UBC does not add significantly to the cost of housing in Orange.

Local Processing and Permitting Procedures

Processing and permitting procedures in the City of Orange vary, depending if the project is a ministerial or discretionary project.

Ministerial projects are projects that do not require discretionary action, comply with all zoning and development standards, and are of a small size and scope that is exempt from the California Environmental Quality Act. Such projects require only the issuance of a building permit. Generally, ministerial projects include building remodels, tenant improvements, and single family homes to be constructed on lots previously subdivided for such as purpose. The City's goals is to turn plans around, by issuing the building permit or returning the project to the applicant for a correction, within two weeks of submittal. Building permits require

review by all affected Departments, including Fire, Community Development, Public Works, and Police.

Discretionary projects require issuance of planning permits before construction can be approved, or building permits issued. Some discretionary projects meet all zoning and development standards, and are subject only to site plan review (SPR). Minor SPR's are exempt from CEQA and can be approved by the Staff Review Committee (SRC). Major SPR's are subject to CEQA, and require Planning Commission approval. Other discretionary projects that require issuance of planning permits include those where the type of use proposed has the potential for impacting surrounding neighborhoods unless properly conditioned, or where a waiver of site development standards are required. Such projects require either Zoning Administrator or Planning Commission approval. Tract maps, zone changes, General Plan Amendments, and any other project requiring an Environmental Impact Report (EIR), require review of both Planning Commission and City Council. The following are general processing times for discretionary permit review:

- Staff Review Committee review: approximately 2-4 weeks
- Zoning Administrator review: approximately 3 weeks
- Planning Commission review: approximately 2 months
- City Council review: approximately 4 months
- EIR's: minimum of 6 months

Once discretionary permits are issued, projects go forward for grading permits, if necessary, and then building permits.

Consistent with long-standing City policy, the City implements an up-front, interdepartmental review which assists an applicant in identifying issues early at the conceptual planning stage, prior to development of detailed, construction level plans. A key element of this process is the consolidated review by the Staff Review Committee, which reviews all aspects of a project such as environmental impacts, code compliance, and subdivision requirements. The Staff Review Committee provides developers with a single point of initial contact where all affected municipal departments are represented and available to provide guidance in a multi-disciplinary approach. This approach eliminates the confusion and inefficiency of dealing with each department on an individual basis. For discretionary projects, this consolidated review process culminates in a recommendation to the Zoning Administrator, Planning Commission, and/or City Council.

Processing times are reasonable in view of the constraints posed by legal notification, advertising, and the environmental review process. There does not appear to be a legally sufficient method to reduce the schedule in any significant way. In addition, based on a 1998 survey prepared by the City, the City's processing times for projects requiring Planning Commission or Zoning Administrator review are comparable or better than the surrounding jurisdictions.

3.4 STATE TAX POLICIES AND REGULATIONS

Article 34 of the California Constitution

Article 34 was enacted in 1950. It requires that low rent housing projects developed, constructed, or acquired in any manner by any State or public housing agency, including cities, receive voter approval through the referendum process. The residents of Orange have not passed a referendum to allow the City to develop, construct, or acquire affordable housing.

While California Health and Safety Code further clarifies the scope and applicability of Article 34 to exclude housing projects that have government-required deed restrictions on less than 50 percent of the units or rehabilitation/reconstruction of housing projects that are currently deed-restricted or occupied by lower income persons, Article 34 still constitutes an obstacle for local governments to be directly involved in production of long term affordable housing. The City will continue to work toward repeal of Article 34 because it is a detriment to creating affordable housing.

Environmental Protection

State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits, etc.). Costs resulting from fees charged by local government and private consultants needed to complete the environmental analysis, and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental safety to Orange's residents.

3.5 ENVIRONMENTAL AND INFRASTRUCTURE CONSTRAINTS

Environmental Constraints

A wide range of environmental factors may constrain the development of new housing in Orange. Areas of special environmental significance, potential safety hazards, and development constraints will influence land use policy. The City of Orange Safety Element identifies areas of Orange subject to a number of environmental constraints, including flooding, landsliding, and faulting. The Open Space and Conservation Element identifies areas where significant ecological or natural resources are located. These constraints include both natural and built factors that will continue to influence long-range land use planning.

Flooding

The Federal Emergency Management Agency (FEMA) publishes maps that identify areas of the City subject to flooding in the event of a major storm. These maps, referred to as Flood Insurance Rate Maps (FIRMs), indicate areas that may be inundated in the event of a 100-year or a 500-year storm. In addition, the maps indicate the base flood elevations at selected intervals of the floodway.

The flood map contained in the Safety Element Technical Report indicates a potential for storm-related flooding along the Santa Ana River, Santiago Creek, and Handy Creek. Additional flood hazards include the potential for inundation from dam or levee failure.

Three major flood control reservoirs are located on streams that run through Orange. The three facilities of concern include Prado Dam, Santiago Dam, and Villa Park Dam. Extensive flood damage could occur in the event of dam failure at any of these three facilities. Figure S-4 in the Safety Element Technical Report identifies those areas of the City that might experience flooding in the event of dam failure.

Hillsides

Topography in portions of the planning area contain slopes that are too steep to easily accommodate development. The potential for slope failure will increase due to grading practices prior to construction and overwatering once developments have been completed. In addition, many landslides are caused by earthquakes.

Geologic Hazards

The entire planning area is located within a seismically active region that has been subject to major earthquakes in the past. The San Andreas Fault, Whittier-Elsinore Fault, Newport-Inglewood Fault, and San Jacinto Fault are active faults located within 30 miles of Orange. Other major faults may be buried under alluvium, or fault traces may have been obliterated due to natural weathering. Two of the most destructive earthquakes that occurred in California in recent years, the Coalinga and Whittier earthquakes, originated from previously unknown faults.

A number of smaller fault traces are located in the northern and eastern portions of the planning area. The El Modena Fault traverses the base of the Peralta Hills. The Peralta Hills Fault is located in the Peralta Hills just north of the El Modena Fault, as shown on Figure S-2 in the Safety Element Technical Report.

Wildland Fires

The greatest potential for wildfire is in the undeveloped areas located in the northern and eastern portion of the planning area. The risk to homes from wildfire will increase as development spreads into the chaparral covered hillside areas in eastern Orange.

Noise

Noise generated from mobile sources such as traffic and aircraft will continue to have the greatest potential impact on land use. The Noise Element describes the existing noise environment using maps that indicate high levels of noise in the planning area. The Noise Element also identifies noise sources and contains goals and policies that will be useful in reducing the effects of noise, if not the actual intensity of noise. Land use policy discourages the placement of noise-sensitive land uses in areas that are subject to high noise levels.

Infrastructure Constraints

Sewage *collection* is the responsibility of the City; the Orange County Sanitation District is responsible for sewage *treatment*. The City provides water service to most areas of Orange. Water in the sphere of influence will be provided by a cooperative agreement between the Irvine Ranch Water District and the City.

According to City engineers and public works officials, there are currently no significant infrastructure deficiencies (water, sewer, etc.), and it is anticipated that future growth in the eastern sphere of influence can be accommodated with extension of services. The cost for providing infrastructure will be paid with developer fees.

The City's Public Works Director indicates that water supplies and facilities, as well as sewer capacities, are anticipated to be sufficient to service the growth anticipated in the East Orange area, including the 18,000-acre sphere of influence. The conclusions assume the type of development in the future will be similar to what has already occurred.

Off-Site Improvements

As an urbanized jurisdiction, Orange has already in place all of the necessary infrastructure to support future development. With the exception of the Serrano Heights and East Orange projects, all land designated for residential uses is served by sewer and water lines, streets, storm drains, telephone, electrical and gas lines. Since the majority of future development will be in-fill, larger projects may also require off-site traffic improvements, such as the installation of traffic signals or other traffic improvement measures, to mitigate increases in traffic. The provision for off-site improvements required for the completion of the Serrano Heights and East Orange area projects have or will be addressed through the Specific Plan process and potentially through Development Agreements, and the required improvements will be provided by the developers of each project.

4. HOUSING RESOURCES

4.1 SITES FOR HOUSING DEVELOPMENT

An important component of the Orange Housing Element is the identification of sites for future housing development, and evaluation of the adequacy of this site inventory in accommodating the City's share of regional housing growth as determined by the Southern California Association of Governments (SCAG).

Vacant Sites

As part of this Housing Element update, the City conducted a parcel-by-parcel vacant site analysis of the City to identify vacant sites that have the potential to be developed for residential uses. Table 23 quantifies the number and type of housing units that could be accommodated on the City's vacant residential sites. The City also estimated the potential number of residential units that could be developed on each site based on the current or proposed zoning, which totals 163 units for Sites 1 through 4.

All of the vacant sites are in-fill sites and have access to existing infrastructure located in the surrounding streets. As the sites are in-fill locations, they may require some traffic mitigation as part of the development process. Sites 1 and 2 have been vacant for many years, and it is unknown at this time what the owner's intents are for future development on Site 1; however, the City is ready to process applications for housing on this site. Site 2 is owned by the City; however, no plans have been adopted for this site. Site 2 would require levee protection from Santiago Creek to allow residential development to occur. The Orange Unified School District (OUSD) owns Site 4. When OUSD determines that the site is surplus property, the City will work with the District to encourage the development of residential units on the site.

Underutilized/Redevelopment Sites

The City also completed an analysis of underutilized areas within the City developed at densities significantly lower than allowed by the current zoning, or which provides a redevelopment opportunity for residential development. Two specific sites have been identified (Sites 5 & 6) developed with older single-family units with potential to accommodate nearly 50 single-family units under current zoning. Both of the sites have access to existing infrastructure located in the surrounding streets, though they may require traffic mitigation as part of the development process. The owner of Site 5 is currently marketing the property. The City has reviewed a number of preliminary plans, and is ready to process a request for housing on the site once an application is submitted. Site 6 consists of several older large lot single-family residences.

Some additional residential infill potential exists within the Old Towne area, both within the commercial mixed-use area and within the residential districts. A four-block area around the Chapman/Glassell intersection in the Old Towne Plaza area contains some existing residential units located above retail uses, including 30 units in "The Flats" loft apartments

and 14 units above a bank building, both renting at low income rents. Residential uses are permitted in this C-1 district with a CUP. Approximately 11,000 square feet of additional non-residential, vacant, second floor space above existing commercial uses is also available for conversion to affordable housing units with access to public transportation routes (Site 7). Assuming an estimated unit size of 600 square feet, approximately 18 new affordable units can be developed in the Old Towne/Plaza area. All of these in-fill and reuse sites have access to existing infrastructure located in the surrounding streets, though they may require traffic mitigation as part of the development process.

Uptown Orange

Uptown Orange (Site 8) presents a significant redevelopment opportunity to create an urban residential and commercial village on 70 acres of land located in the western gateway into the City. With realignment of the freeway and arterials in this area, combined with the two significant vacant parcels totaling approximately 23 acres (former Orange Drive-In theatre and vacant Cinedome properties) and the approximately 8 acres of CalTrans remnant parcels, approximately one-third of the area lies vacant. The City has recently (January 2000) developed a land use concept and redevelopment strategy plan for the area, a key focus of which includes 500-850 village residential units, likely to consist of higher density apartments and condominium units. The Plan provides incentives to the private sector to develop quality urban housing, and other desired amenities including affordable housing, mixed-use retail, implementation of public spaces, integration of public art, and development of loft style housing over the retail uses.

The City is currently working with a consultant to implement the concepts presented in the strategy plan by developing a specific plan for the Uptown Area. The specific plan will further define the vision for the mixed-use development, and provide zoning level standards for future development. It will contain provisions for high-density residential development in conjunction with office, hotel, and supporting retail development. The specific plan is in an early stage of development; the City has committed the funds and executed a contract for consultant services to prepare a specific plan and environmental impact report (EIR) for this site, and the consultant has begun to draft the plan and conduct traffic studies. By creating a specific plan and completing the required environmental documentation, it is the City's intent to facilitate development of this site, by removing the burden of such documentation from future developers. Development consistent with the plan can thereby proceed at a much faster pace than would otherwise be possible. The City envisions that the specific plan and EIR can be adopted in 2001, with development proceeding thereafter within the current planning period.

A 25-acre, privately owned mobile home park lies within the specific plan boundaries. The specific plan will include the mobile home park as a permitted use, and will set forth provisions for residential use on the site to guide development if and when the property owner decides to close the park. Redevelopment of this mobile home park is not anticipated during this planning period.

It should also be noted that under current zoning in the Uptown area, multiple family housing is permitted (subject to CUP) as part of mixed-use development. Under the existing

commercial zoning, there is no residential density cap. The City's desire is to establish a dense village atmosphere, and will establish minimum densities at 24 units/acre, with actual densities likely much higher. The higher densities encouraged in Uptown Orange, combined with regulatory and financial incentives for integration of affordable housing, make this an area prime for development with low and moderate income units.

As the Uptown area is currently developed, or was developed in the past, there is existing infrastructure available to support the proposed development, though some upgrades may be necessary, depending on the proposed intensity. The flood plain designation for the area was also recently removed, allowing for redevelopment of the site.

West Chapman Avenue

The West Chapman Avenue study area (Site 9) presents a longer term opportunity for residential redevelopment. The City adopted Vision and Redevelopment Strategy Plan for this 50-acre corridor area in April 2000. The City plans to widen Chapman Avenue from two to three lanes in each direction over the next 2-3 year period. As certain commercial properties are made non-viable through the road widening, integration of multi-family uses may be appropriate in some locations. As the area is currently developed, infrastructure will be available for future residential redevelopment, though some traffic mitigation may be required as part of the development process. At this time, the location and number of units resulting from implementation of the West Chapman plan is unknown.

Approved/Pending Projects

A total of 97 affordable housing units will be developed on Sites 10-13. All of these projects are in the plan check stage, have been acquired for rehabilitation, have been issued building permits, or are in an advanced stage of planning. The City is also in the early stages of working with developers on development proposals for Site 16 to provide approximately 200 units. With the assistance of the Agency and City, OHDC has acquired and will rehabilitate 47 affordable apartment units on sites A and B. As all of these projects are located on in-fill sites, infrastructure is available in the surrounding streets, though some traffic mitigation may be required as part of the development process.

Santiago Hills II

The Irvine Company is proceeding with plans for the development of approximately 500 acres of its land within the City's Sphere of Influence (Santiago Hills II - Site 14). The entire Santiago Hills II site was recently prezoned Planned Community (PC) and a specific plan approved. The PC zone includes a map that specifically allows development of 569 low density residential units, 620 low-medium density residential units and 557 medium density units in the area. Of the multi-family (medium density) units, 380 are designated as apartments and 177 are designated as condominium units. Planned densities for the apartment component are at 24 units/acre, the top end of the City's Medium Density Residential (MDR) district, thereby providing greater unit affordability by reducing per unit land costs. Review of condominium sales data in adjacent Santiago Hills I indicates prices generally within the moderate income range, and can be used as a general indicator of

condominium price levels in Santiago Hills II.

The Irvine Company will provide the backbone infrastructure system as part of the development process. Appropriate service providers were contacted in conjunction with the preparation of the Supplemental EIR for this site. It was found that electrical service, natural gas service, solid waste disposal, water service, and sewer service can be provided for this project.

The Irvine Company indicates that, after various environmental studies are completed during the first half of 2001, they will be ready to process tentative tract maps later in the year and undertake grading for the first phase of development in early 2002. Timing for the multi-family MDR component of Santiago Hills II is linked to development of an adjacent elementary school, which is subject to a school mitigation agreement requiring completion no later than school year 2004. As described in the Housing Element (Program #12), the City is working with The Irvine Company to integrate affordable units within Santiago Hills and the greater East Orange area.

Serrano Heights

The Serrano Heights project (Site 15) is zoned Planned Community (PC). PC zoning is intended to provide for use of more imaginative and innovative planning concepts than allowed under conventional zoning, and is often utilized in areas with unique circumstances or physical setting. This project is in a hillside area, abutting a regional park, and contains significant, prominent (protected) ridgelines visible from much of the region. The PC zoning consolidates the development areas, and retains much of the site in open space.

Serrano Heights is an approved project for which a specific plan has been adopted. Construction for the area will be phased. The first phase is the westerly portion of the project, where development is occurring at a rapid rate. Building permits have been issued for most of the 450 units in this area, with completion expected in 2001. The second phase includes the easterly portion of the site, for which a tentative tract map has been approved. Permits have not yet been issued, though construction is expected to begin in 2001. Phase three includes the project area approved for higher density housing (up to 24 units/acre), and while plans have not yet been submitted for this particular area, it is anticipated to be developed within the five year planning period. The provision of infrastructure was addressed in the specific plan, and will be constructed by the developer in conjunction with the three phases of development.

TABLE 23
RESIDENTIAL SITES INVENTORY

Site #	Location	Gross Acreage/ Square Footage	Dwelling Unit Capacity	Current Zoning*	Status
Vacant Residential Sites					
1	4700 block East Washington Ave.	approx. 4 acres	40 units	R-3-A (Multi-Family - Single Story Overlay)	Zoned for multiple family, single story.
2	Adjacent to Triangle Terrace Senior Apts.	approx. 3 acres	45 units	R-2-6 (Residential Duplex - min. 6,000 lots)	Potential site for LMDR housing. City owned, no plans currently adopted for future use
3	500 Block of West Palm	1 acre	24 units	R-3 (Multi-Family)	Vacant property.
4	Rancho Santiago Blvd/Avenida Palmar	approx. 9 acres	54 units	R-1-7 (Single-Family- min. 7,000 lots)	Unused, vacant school site.
Underutilized/Redevelopment Sites					
5	Tustin/Sunview	approx. 5.4 acres	30 units	R-1-7 (Single-Family - min. 7,000 lots)	Contains one single-family dwelling.
6	1200 Block of East Walnut	3 acres	18 units	R-1-6 (Single-Family -min. 6,000 lots)	Large single family lots with potential for redevelopment.
7	Old Towne/Plaza Area (Glassell/Chapman)	11,000 square feet	18 units	C-1 (Limited Business)	11,000 square feet of existing vacant, second story space convertible to residential uses

TABLE 23
RESIDENTIAL SITES INVENTORY

Site #	Location	Gross Acreage/ Square Footage	Dwelling Unit Capacity	Current Zoning*	Status
8	Junction of I-5 and 57 Freeway (Uptown)	approx. 70 acres total, 31 acres vacant	approx. 500-850 high density village residential units No density cap under commercial zoning. Base density of 24 units/acre to be established in Specific Plan.	C-1, C-2, MH, M-1 (Limited Business, General Business, Mobile Home, Light Industrial) (Uptown Orange Strategy Plan allows 24 du/ac + density bonus incentives)	Specific Plan under preparation. A portion is developed as a mobile home park, although not projected for redevelopment during planning period.
9	West Chapman Avenue/Main Street to 57 Freeway	approx. 5 acres	variable	C-2 (General Business)	Corridor widening in 2-3 years. Subsequent potential development of high density housing on select obsolete commercial parcels.
Approved/Pending Projects					
10	170 N. Prospect (La Plata Senior Housing)	0.4 acres	20 units - 2 very low or 4 low senior	C-1 (Limited Business)	In plan check.
11	353 S. Tustin St. (Creekview Senior Comm.)	1.5 acres	67 units - 17 units lower income senior	R-3 (Multi-Family)	In plan check.
12	320 S. Hewes & 4431 E. Marmon (OHDC project)	0.3 acres	5 units – low income large family	R-2-6 (Residential Duplex - min. 6,000 lots)	Permit issued.
13	La Veta (OHDC/Orange Rotary Senior Apts.)	0.31 acres	5 units – very low income senior	R-4 (Multi-Family)	5 senior housing units being planned

TABLE 23
RESIDENTIAL SITES INVENTORY

Site #	Location	Gross Acreage/ Square Footage	Dwelling Unit Capacity	Current Zoning*	Status
14	Santiago Hills II	494 acres	Approximately 1,746 units (569 LDR, 620 LMDR and 557 MDR). Of 557 MDR units, 380 are apartments and 177 are condominiums.	County A-1 Pre-zoned by City as PC in anticipation for annexation	Currently in the City's SOI, but The Irvine Co. is processing the necessary environmental documentation and applications for annexation and development. Staff is in discussions with The Irvine Company regarding including affordable housing in the project. Annexation to occur in 2001-2002.
15	Serrano Heights	727 gross acres (including approx. 246 acres within Edison easement)	1,100 units (900 SFD and 200 MF) (16 SFD are constructed with a remaining capacity of 1,084 units)	Planned Community	Building permits for most of the 450 units in 1st phase are issued for anticipated completion 2001. Phase II anticipated to begin in 2001 and Phase III shortly there after.
16	Sully Miller Site	117 acres	200 SFD proposed	S-G (Sand and Gravel)	Former quarry/processing site.
Acquired with Planned Rehabilitation					
A	264-280 S. Esplanade	n/a	27 units - 3 low income & 24 very low income (55-year affordability)	n/a	Redevelopment Agency assisted OHDC to acquire the property.
B	1924 & 1934 E. Wilson	n/a	20 very low income units (55-year affordability)	n/a	Redevelopment Agency assisted OHDC to acquire the property.

SFD = single-family dwelling, MF = multi-family dwelling, OHDC = Orange Housing Development Corporation, LDR = low density residential, LMDR = low medium density residential, MDR = medium density residential, and MU = mixed use.

* Refer to Appendix D for Residential Development Standards, including density ranges for residential zoning categories.

Source: City of Orange, 2000.

Multi-family Acquisition and Rehabilitation

In addition to development on vacant and underutilized land, Orange also produces affordable housing through the acquisition, rehabilitation, and deed-restriction of substandard multi-family properties. During this housing element cycle, the Redevelopment Agency and the City provided financial assistance to acquire, rehabilitate, and provide affordability covenants on 27 units located at 264-280 S. Esplanade Street (Site A). The units will be owned by the OHDC and will be limited to rental to three low income and 24 very low-income households for a period of 55 years

The Redevelopment Agency also assisted OHDC to acquire 20 units located at 1924 & 1934 East Wilson (Site B). These 20 units will be rehabilitated and rent-restricted for very low income households for a period of 55 years. While both of these projects will provide long-term affordable housing for very low income households, they are not towards the City's residential sites requirement. The City will continue to identify new units for acquisition and rehabilitation, and has included a goal in the Housing Element to achieve 100 units for rent to low and moderate income households during this housing period.

Second Units

In addition to development on vacant land, the City recognizes the potential for additional new development of affordable housing in the form of second units. It is estimated that approximately 15 second units will be developed over the planning period. The City has incorporated development standards for accessory second housing units into its Zoning Ordinance and allows for reduced parking on-site, only requiring one unenclosed parking space for the second unit. The Ordinance allows for second units with a Conditional Use Permit in its R1-6 to R1-40 and R1-R zones where there is an existing permanent single-family dwelling unit.

Residential Development Potential Compared with Orange's Regional Housing Needs

As indicated in Table 24, Orange has an identified future housing need (RHNA) of 3,205 units to be developed during the 1998-2005 period. Table 24 shows the breakdown of these 3,205 units into income categories.

TABLE 24
REGIONAL HOUSING GROWTH NEED BY INCOME GROUP

Income Group	Total RHNA (1/1/98-6/30/2005)	Housing Units Constructed	RHNA Remaining	Density Guidelines	Site Inventory Feasible Units Capacity
Very Low Income	635	0	635	≥20 units/acre	969 – 1,319 [1, 2]
Low Income	395	0	395		
Moderate Income	657	537	120	≥8 units/acre	512 [3]
Above Moderate Income	1,518	371	1,147	less than 8 units/acre	2,391 [4]
Total	3,205	908	2,297		3,872-4,222 [1, 5]

[1] Range is due to the estimated 500-850 village residential units in Uptown Orange Strategy Plan Area.
[2] Capacity includes Sites 3, 7, 8, 10, 17 low inc. units on Site 11, 12, 13, and 380 MDR apts on Site 14.
[3] Capacity includes Sites 1, 2, 50 market units on Site 11, 177 MDR condos on Site 14, and 200 MF units on Site 15.
[4] Capacity includes Sites 4, 5, 6, all LDR and LMDR on Site 14, 900 SFD units on Site 15, and Site 16.
[5] The feasible units capacity does not include Sites 9, A and B.

Source: City of Orange, 2000.

Housing units constructed and issued certificates of occupancy since January 1, 1998 can also be counted toward fulfilling the RHNA for this Housing Element cycle. According to the City, a total of 908 dwelling units have been constructed between January 1, 1998 and April 2000, leaving the City with a remaining RHNA of 2,297 units. Of these newly constructed units, 87 are within a market rate senior housing project on Newport Boulevard (Orange Park Heights). This development provides a high level of amenity and services, and rents at moderate income levels. The 281-unit Meridian Apartments is developed on a commercially zoned property on the prior Town & Country shopping center site, and rents at levels affordable to moderate income households. Finally, 169 attached single-family homes were developed during the same period at levels affordable to moderate income households, and 371 detached single family homes, including 16 units of the 1,100-unit capacity in Serrano Heights (Site 15), were developed for above moderate income households.

Table 24 compares the City's remaining RHNA of 2,297 units with the City's residential site inventory, which provides for 3,872 – 4,222 units. The City has evaluated its recent new construction affordable housing projects to determine the minimum density required for affordable housing. For example, Walnut Court and Hewes/Marmon, the two most recent family affordable housing projects constructed in the City were built at densities of approximately 14.6 to 15.6 units per acre. These two projects were assisted by a combination of funding, including tax credits and redevelopment housing set-aside funds and are affordable to very low and low income households. Senior housing projects are typically

developed at higher densities with smaller unit sizes and reduced parking, and the City's Zoning Ordinance allows for additional density bonuses for senior projects. As a result, Harmony Creek Apartments was developed at a density of approximately 41 units per acre, and is affordable to very low income households using HOME, redevelopment housing set-aside funding, and tax credits. Based on this analysis, affordable housing projects targeting low and very low income households can be achieved at densities of approximately 15 units per acre in Orange, but of course the higher the density, the less the subsidy required to achieve affordability. As a result, while housing affordable to lower income households can be developed at less than 20 units an acre, for the purposes of this analysis, the City has chosen a threshold of 20 units to the acre to reflect a reasonable density which minimizes reliance on subsidies to achieve affordability for lower income households. Based on this analysis of past projects, residential sites in Orange can be assigned to the RHNA income categories based on the following general development density and affordability guidelines:

- Lower Income - min. 20 units per acre
- Moderate Income - min. 8 units per acre
- Above Moderate Income - less than 8 units per acre

As indicated in Table 24, the City has provided zoning at appropriate densities to accommodate approximately 970 to 1,320 new lower income units. Very low income housing will require some form of subsidy regardless of density, and based on the four Redevelopment Agency assisted projects currently coming on-line, a minimum of 44 new very low income units will be provided. Additional very low income units will likely be provided through density bonuses such as on Site 2, through future Redevelopment Agency projects, and through density incentives tied to affordability covenants to be offered in Uptown Orange. The City has also provided for the development of over 510 units at densities which should offer affordability to moderate income households, well exceeding the City's remaining RHNA of 207 moderate income units.

4.2 FINANCIAL RESOURCES

This section discusses the types of resources available for preserving existing affordable housing units and constructing new housing units: 1) financial resources potentially available to purchase, supplement, or rehabilitate existing units, or to build replacement housing; and 2) entities with the interest and ability to purchase and/or manage at-risk units.

Financial Resources

There are a variety of potential funding sources available for acquisition, subsidy, rehabilitation, or replacement of existing affordable units. Due to the high costs of developing and preserving housing and limitation of both the amount and uses of the funds, a variety of funding sources may be required to preserve and maintain the City's existing affordable housing stock and expand new affordable housing opportunities. Table 25 identifies some of the public and private funding available to implement housing programs. The programs that are used most often by Orange are described in more detail after Table 25.

TABLE 25
PUBLIC AND PRIVATE RESOURCES
AVAILABLE FOR HOUSING PROGRAMS

Program Name	Description	Eligible Activities
1a. Federal Programs - Formula/Entitlement		
HOME	Flexible grant program awarded to the City on a formula basis for housing activities.	• New Construction • Acquisition • Rehabilitation • Home Buyer Assistance • Rental Assistance
Community Development Block Grant	Grants awarded to the City on a formula basis for housing and community development activities.	• Acquisition • Rehabilitation • Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
1b. Federal Programs – Competitive		
Supportive Housing Grant (SuperNOFA)	Grants to improve quality of existing shelters and transitional housing; increase shelters and transitional housing facilities for the homeless.	• Homeless Assistance (Acquisition, New Construction, Rehabilitation, Conversion, Support Services)
Section 8 Rental Assistance Program	Rental assistance payments to owners of private market rate units on behalf of very low income tenants (administered by the County).	• Rental Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	• Acquisition • Rehabilitation • New Construction • Rental Assistance • Support Services
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	• Acquisition • Rehabilitation • New Construction • Rental Assistance
Section 108 Loan	Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement or other projects. The jurisdiction must pledge its future CDBG allocations for repayment of the loan. Maximum loan amount can be up to five times the entitlement jurisdiction's most recently approved allocation. Maximum loan term is 20 years.	• Acquisition • Rehabilitation Home Buyer Assistance • Economic Development • Homeless Assistance • Public Services
2. State Programs		
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	• Support Services
Mobile Home Park Conversion Program (M Prop).	Funds awarded to mobilehome park tenant organizations to convert mobile-home parks to resident ownership.	• Acquisition • Rehabilitation
California Housing Finance Agency (CHFA) Multiple Rental Housing Programs.	Below market rate financing offered to builders and developers of multiple-family and elderly rental housing. Tax exempt bonds provide below-market mortgage money.	• New Construction • Rehabilitation • Acquisition of Properties from 20 to 150 units
Mortgage Credit Certificate Program	Income tax credits available to first-time homebuyers for the purchase of new or existing single-family housing. Local agencies (County) make certificates available.	• Home Buyer Assistance

Low Income Housing Tax Credit (LIHTC)	Tax credits available to individuals and corporations that invest in low income rental housing. Tax credits sold to corporations and people with high tax liability, and proceeds are used to create housing.	• New Construction • Rehabilitation • Acquisition
California Housing Rehabilitation Program - Owner Component (CHRP-O)	Low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor housing rehabilitation projects.	• Rehabilitation • Repair of Code Violations, Accessibility Improvements, Room Additions, General Property Improvements
3. Local Programs		
Orange Redevelopment Agency	20 percent of Agency funds are set aside for affordable housing activities governed by state law.	• Acquisition • Rehabilitation • New Construction
Orange County Housing and Community Development Department	$7 million available annually in support of affordable rental housing. Developers apply through competitive process. Matching funds required.	• Rental Housing Development
4. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	Loan applicants apply to participating lenders for the following programs:	
a. Community Home Buyers Program	Fixed rate mortgages issued by private mortgage insurers.	• Home Buyer Assistance
b. Community Home Mortgage Improvement	Mortgages which fund the purchase and rehabilitation of a home.	• Home Buyer Assistance • Rehabilitation
c. Fannie Neighbors	Low Down-Payment Mortgages for Single-Family Homes in underserved low-income and minority communities.	• Home Buyer Assistance
Savings Association Mortgage Company Inc. (SAMCO)	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	• New Construction of single family and multiple family rentals, cooperatives, self help housing, homeless shelters, and group homes for the disabled.
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long term debt financing for affordable multi-family rental housing. Non-profit and for profit developers contact member banks.	• New Construction • Rehabilitation • Acquisition
Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for-profit developers and public agencies for affordable low income ownership and rental projects.	• New Construction

Source: Cotton/Beland/Associates, Inc., 2000.

Redevelopment Housing Set-Aside Funds

The City of Orange adopted three redevelopment project areas within the City: the Tustin Street Project Area, the Southwest Project Area, and the Northwest Project Area. Pursuant to State law, the Orange Redevelopment Agency established a Redevelopment Housing Set-Aside Fund using 20 percent of the tax increment revenue. Approximately $2.4 million annually in set-aside funds will be available for the 2000-2005 planning period. Once the necessary fees have been paid, approximately $1.2 million will be available annually for implementation of housing programs. Since set-aside funds are a function of property tax revenues, the amount of future deposits will depend on factors such as market conditions and the timing of new taxable development. Housing Set-Aside funds may be provided for affordable housing outside the Redevelopment Project areas.

HOME Funds

The City of Orange is a HOME participating jurisdiction and receives approximately $470,000 from HUD annually for housing acquisition, construction and rehabilitation. HOME funds may also be used for tenant-based rental assistance, property acquisition, site improvements, and other costs related to the provision of affordable housing. The City has used HOME funds for multi-family unit rehabilitation and property acquisition in the past.

Community Development Block Grant (CDBG) Program

The City of Orange is a Community Development Block Grant (CDBG) entitlement jurisdiction eligible to receive CDBG funds from HUD for funding a wide range of community development activities. Orange's CDBG allocation averages approximately $1,400,000 a year. CDBG monies are one of Orange's primary sources of funds to benefit low and moderate income households. The City of Orange will continue to use CDBG funds to stabilize neighborhoods and preserve and upgrade the existing housing stock.

Mortgage Revenue Bonds

Tax-exempt bonds can be issued to provide funds for construction and mortgage loans to encourage developers to provide rental housing. To encourage affordable housing development, the Orange Redevelopment Agency directly issued revenue bonds for the acquisition and rehabilitation of the 255-unit The Knolls/Villa Santiago project. As previously discussed, the City authorized CSCDA to issue mortgage revenue bonds to preserve the Casa Ramon project. The bonds also enabled the owners (a partnership of OHDC and Related Capital) to obtain tax credits for the project.

Section 8

The Section 8 rental assistance program extends rental subsidies to lower income families and elderly that spend more that 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. Most Section 8 assistance is issued to the recipients as vouchers, which permit tenants to locate their own housing and rent units beyond the federally determined Fair Market Rent in an area, provided the tenants pay the extra rent increment.

As of April 2000, there were 570 households in Orange receiving Section 8 rental assistance. Of these households, 133 were elderly, 83 were disabled, and 354 were families. There were 335 households on the waiting list. Of these, 68 were elderly, 62 were disabled, and 205 were families. The estimated waiting period to receive Section 8 assistance is one to four years.

Orange County Affordable Housing Clearinghouse

The Orange County Affordable Housing Clearinghouse is a consortium of lending institutions and community groups focused on providing funds for affordable housing through team lending. Sixteen lending institutions are currently members of the coalition. Because the coalition is new, it does not currently have a track record in the community. However, the financial assets and expertise of coalition members suggest that this could be a significant source of funds for low-income housing in Orange County in the future.

4.3 NON-PROFIT HOUSING DEVELOPERS

As discussed in the at-risk analysis previously, an alternative to providing subsidies to existing owners to keep units available as low-income housing is for public or non-profit agencies to acquire or construct housing units to replace "at-risk" units lost to conversion. Non-profit ownership assures the future availability of purchased units as low-income housing. Several public and non-profit agencies are currently active or have expressed an interest in purchasing and/or managing at-risk, low-income housing projects in Orange County.

Orange Housing Development Corporation (OHDC): OHDC is a non-profit housing developer based in the City of Orange. Start-up costs of $400,000 to establish OHDC were funded through the City's redevelopment housing set-aside funds. OHDC has constructed or rehabilitated a total of 914 units in California since 1992 including 224 units within the City of Orange; and currently has an additional 10 units within the City of Orange in predevelopment, including Villa Modena, a 5-unit project for large families. OHDC recently purchased and will rehabilitate Casa Ramon (75 family units), Wilson Avenue Apartments (20 family units), and the Esplanade Apartments (27 family units). Affordable housing projects completed by OHDC within Orange include: Chestnut Place/Fairway Manor (50 senior units); Harmony Creek (83 senior units); Adams I, II and III (9 family units); Rose Avenue (6 family units); Alice Clark Orange Blossom (4 senior units); Parker Apartments (3 family units); Pixley Arms (15 senior units); and Walnut Court (7 family 3-bedroom units).

Orange County Community Housing Corporation (OCCHC): OCCHC is the oldest and largest non-profit affordable housing developer in Orange County. With assets exceeding $13.5 million, OCCHC has developed over 200 units for very low-income families throughout Orange County. Developments by OCCHC include: Domingo Avenue Apartments (28 units), Newport Beach; Berry Street Apartments (4 units), Anaheim; Coffield Apartments (24 units), Dana Point; Irvine Condominiums (6 units), Irvine; Buena Street Apartments (28 units), Garden Grove; Keel Street Shelter (8 units), Garden Grove; and Citron Street (12 units), Anaheim. OCCHC participates in the management as well as the development of low-income housing and has expressed interest in purchasing/managing at-risk units throughout Orange County.

Mercy Housing: Mercy Housing is a national network of non-profit housing developers and management organizations that was founded by the Sisters of Mercy in 1981. Mercy Housing has developed and preserved 5,500 units of housing and currently manages 106

properties in 14 states. The Mercy Loan Fund is a revolving loan fund capitalized with $16 million in below market rate investments from communities of Catholic women, foundations, individuals, and Catholic healthcare systems. Since 1985, the fund has made 229 below market rate loans totaling more than $76 million for affordable housing properties developed by non-profit housing corporations.

Jamboree Housing Corporation: Jamboree Housing Corporation (JHC) seeks to serve primarily, but not exclusively, low income households, and focuses on targeting very low income households. JHC provides the following services: purchase, sale, or rental of real property; development, rehabilitation and management of housing units; and technical assistance to other providers of affordable housing. JHC owns, developed, or assisted projects in Irvine, La Palma, Aliso Viejo, Mission Viejo, Garden Grove, San Jose, Sacramento, Riverside, Rowland Heights, and Gilroy for a total of 1,682 rental units and 131 home ownership units.

Civic Center Barrio Housing Corporation: Civic Center Barrio Housing Corporation also has considerable experience in, and resources for, the development and/or management of low-income housing. Barrio Housing owns and operates over 130 housing units in Orange County and San Diego County, and has been involved in the development of over 400 affordable units. Barrio Housing has been operating in Orange County for 16 years. Representatives from Barrio Housing indicate that the corporation would be interested in preserving at-risk units throughout Orange County.

HomeAid: HomeAid is a non-profit corporation established by the Building Industry Association (BIA) of Southern California to help alleviate the homeless problem in the region. The HomeAid program has a dual method: (1) identify effective homeless care providers (other non-profits) who need new or expanded shelter facilities and (2) mobilize building industry members, members of the general business community and volunteers to give in-kind assistance to complete projects. During the past 10 years, HomeAid has built and/or renovated 30 shelter projects, including Orangewood Children's Homes in Orange (a home for severely abused children) and Casa Teresa (a home for pregnant women), also in Orange, and has five additional projects in the construction or planning phase. Discussion with a representative of HomeAid indicates that this agency is interested in preserving at-risk housing in Orange County.

4.4 AVAILABILITY OF PUBLIC SERVICES AND FACILITIES

As a highly urbanized community, public facilities are available to serve development throughout the incorporated city and unincorporated islands within City of Orange. Land located in the City's sphere of influence (East Orange) is not currently subject to an adopted Specific Plan, but prior to development, a Specific Plan will be completed for the area and will address how infrastructure and public services will be provided as part of the development process. As a result, the land designated for residential uses will be served by public services and infrastructure.

Appendix C

Public Workshop Notes

Notes from the June 12, 2000 Planning Commission Study Session
Housing Element Workshop

Chairman Bosch opened the meeting, noting that the only item on the agenda was the Housing Element.

Joan Wolff, staff planner for the project, outlined the process and time frames for preparing and adopting the Housing Element, and introduced the City's consultants. She noted that the purpose of the meeting was to review the Housing Element Technical Report and to gather input from the Planning Commission and audience regarding their perspective on housing needs in the City of Orange, and program areas that they believe the City should pursue.

Catherine Reilly, of Cotton/Beland/Associates (CBA), went over some of the demographic information from the Housing Element Technical Report, and outlined housing issues and needs.

Karen Warner, of CBA went on to discuss the Regional Housing Needs Assessment (RHNA) component of the Technical Report. She talked about the City's housing programs and the importance of having an approved Housing Element. She noted that if we do not receive approval from the State Department of Housing and Community Development (HCD), the City will not be eligible to receive State Housing funds, and the entire General Plan is put at risk of being found inadequate.

Chairman Bosch asked the Commissioners for their questions and comments.

Commissioner Carlton noted that in her work as a realtor, she has found that rents are very high, it is very difficult to find rents as low as $800, and very little is available at lower rates. She also notes a reluctance of rental property owners to rent to large families, and she raised questions about Table 8 of the Technical Report, regarding mobile homes. Karen Warner noted she would try to clarify the differences between the State Department of Finance and Census accounting for mobile homes.

Commissioner Pruett raised several questions about the RHNA process, and also about usage of data from the 1990 Census.

Commissioner Smith asked about what made the City of Orange more pro-active than other jurisdictions on affordable housing issues, with Ms. Warner responding on the formation of the Orange Housing Development Corporation (OHDC). Commissioner Smith asked about the at-risk status of the Palmyra Senior apartments. Mary Ellen Laster, City Housing Manager, noted that bond refinancing was not feasible at the time refinancing was needed. Commissioner Smith also raised questions about the nature of the Section 8 rental assistance program. She stated that she felt the 1990 Census undercounted the homeless population and noted that Orangewood Children's Home is not a provider of housing for the homeless (rather for abused children who have been removed from their homes). She pointed out that Table 6 does not indicate any service providers addressing the needs of homeless men or families.

Chairman Bosch requested that the exhibits presented at the meeting also be provided to the Commissioners, and that they be crossed referenced to the appropriate pages in the text of the Tech Reports. He also asked that a glossary of acronyms be provided. He was concerned that the Housing Element needs to address the resources present in the Old Towne Historic District, noting a possible conflict between rehabilitation and preservation needs (reference Figure 1). He further commented on Table 23, listing potential sites for affordable houisng. We need to consider how we present data on sites that are not properly zoned at present for housing. We should not create the impression that the City is pre-determining that these sites are appropriate for housing, prior to proper environmental review, and review for adequacy of infrastructure, such as schools and transportation facilities. It is therefore premature at this time for the City to commit to rezoning sites. Commissioner Pruett commented that

Table 23 could possibly describe various development scenarios for the non-residentially zoned parcels that hold some potential for affordable housing in the future.

Chairman Bosch raised the question on how the City met the goals stated in the 1993 Housing Element. Karen Warner replied that this would be included in the Housing Element, which will be drafted as the next step in the process. Chairman Bosch identified assisted living as another topic of interest, whether there is adequate housing in this category, including long term care and health care.

Chairman Bosch opened the floor to questions.

Sister Marie Gaillac of Sisters of St. Joseph and Orange Cares stated a concern for meeting the housing needs of large families. She also referred to the City of Irvine, and asked that the City more seriously negotiate with developers to obtain more affordable housing. She presented a letter to staff.

Allen Baldwin of OC Community Housing Corporation stressed the need to provide housing for working families with annual incomes under $20,000. People in this situation are generally living in overcrowded conditions that are not conducive to family life. The economic growth of our communities depends on low cost labor, and we therefore have an obligation to provide decent affordable housing. He suggested that the City prepare an EIR rather than a Negative Declaration to raise awareness of housing issues.

Sister Pat Millen of Mercy Housing was concerned with the need for affordable assisted living projects. She also noted the affect development standards have on the ability to create affordable housing. Another concern of hers was with the lack of housing for people leaving programs provided by shelters. Once people go through such programs, there is no place for them to go.

Cy Baumann of Christmas in April program stated a need to assist elderly so that they may stay in their own homes. This is also tied to neighborhood stability.

Mary Jameson of Orange County Rescue Mission/House of Hope read a letter from Jim Palmer, President. Their concern is that when their programs end, residents often have no place to go due to a lack of affordable housing. They ask that the City make funds available for affordable housing and provide a resource to link families leaving a transitional living situation to permanent housing.

Betty Murrill of the Women's Center and League of Women Voters (LWV) presented a publication by Lee Podolak for the LWV outlining a number of low wage professions. These people work in our communities and should be able to live here, too.

Commissioner Carlton responded that we need an anti-NIMBY (not in my back yard) education program to combat images of low income earners.

Cecilia Bustamante of St. Joseph's noted that the hospital has 415 employees earning less than $10 per hour, many of whom commute great distances due to a lack of affordable housing locally.

Chairman Bosch stated that it is important that our Housing Element meet the needs of the community and not just the minimum requirements of the State. He also sees the importance of helping to transition people/families from programs to independent living.

Commissioner Smith asked that housing advocacy groups come forward to help educate the community on senior housing and affordable housing needs. There is a lot of public opposition to affordable housing developments. She noted that in too many situations, the jails are used to house the homeless. This has great costs to society. She also stressed the tremendously important role that permanent housing can play

in stabilizing the lives of mentally ill individuals. Often housing is the key to providing stability, allowing the mentally ill to lead productive lives. She listed other housing issues, including single room occupancy hotels (SRO's), and housing opportunities for homeless men (including single men with children), the working poor, the elderly and the disabled. She would like to see more Community Development Block Grant (CDBG) funds go to housing advocate groups and providers, and less toward infrastructure. Her final comment was a concern that the Historic District retains its integrity, and that housing rehabilitation and/or manufactured housing in Historic Districts comply with appropriate design and development standards.

Chairman Bosch added his thoughts about the importance of maintaining the integrity of Historic Districts. Although Old Towne has a concentration of older homes, the City should proceed carefully in considering increased density in the area, looking for opportunities primarily in the areas containing non-contributing structures. He also noted that Orange has world class medical facilities, including CHOC, St. Joseph and UCI Medical Centers, and that there may be a need to provide housing for families of patients undergoing treatment at these facilities (along the line of the Ronald McDonald House).

The meeting was adjourned at 9:00 p.m.

Appendix D

Residential Development Standards

Table 17.14.070

RESIDENTIAL DEVELOPMENT STANDARDS

District	Units Per Lot	Minimum Lot Area in Sq. Ft. (x)	Minimum Lot Area Per Unit in Sq. Ft.	Minimum Lot Frontage in Feet (a)	Minimum Lot Depth in Feet	Minimum Yard Setback in Feet (b,h)			Maximum Height (Ft.-Stories) whichever is less (g)	Maximum Floor Area Ratio (o) or Lot Coverage (p)	Minimum Usable Open Space in Sq. Ft. (q)
						Front	Side	Rear			
R1-5	1	5,000(v.1)	N/R	50(k)	90	Bld-15 Gar-20 (v.2)	(c,v.2)	(v.2)	32′ - 2 stories	Based on bldg. pad(v.3.w)	875 sf
R1-6	1	6,000	N/R	60(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories(y)	(u)	900 sf
R1-7	1	7,000	N/R	60(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	950 sf
R1-8	1	8,000	N/R	60(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	1,000 sf
R1-10	1	10,000	N/R	80(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	1,000 sf
R1-12	1	12,000	N/R	80(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	1,000 sf
R1-15	1	15,000	N/R	80(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	1,200 sf
R1-20	1	20,000	N/R	100(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	(u)	1,500 sf
R1-40	1	43,560	N/R	100(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	0.40 FAR	2,000 sf
R1-R	1	108,900	N/R	100(k)	100	20	5(c)	20(d,e,f)	32′ - 2 stories	0.40 FAR	2,000 sf
R2-6	(s)	6,000	3,000(s)	60(k)	N/R	15(z)	5(c)	10(d,e)	32′ - 2 stories(y)	0.70 FAR	350 sf/unit
R2-7	(s)	7,000	3,500(s)	60(k)	N/R	15	5(c)	10(d,e)	32′ - 2 stories	0.70 FAR	350 sf/unit
R2-8	(s)	8,000	4,000(s)	60(k)	N/R	15	5(c)	10(d,e)	32′ - 2 stories	0.70 FAR	350 sf/unit
R-3	(t)	7,000 Interior 8,000 Corner	(t)	70 Interior 80 Corner	100	15(z)	5(i)	10	32′ - 2 stories(j) (y)	45%: 2-story str 55%: 1-story str	250 sf/unit
R-4	(t)	6,000 Interior 7,000 Corner	(t)	60 Interior 70 Corner	N/R	10(z)	5(i)	10	32′ - 2 stories(j) (y)	60%	150 sf/unit
MH	(n)	N/R	(n)	N/R	N/R	(l,m)			Refer to Section 17.14.260	75% of MH Space	200 sf space(r)

N/R = No requirement

Notes:

(a) Lot frontage is the distance between the side lot lines measured at the front setback line parallel with the street property line.

(b) See Section 17.14.090.

(c) The following exceptions apply:

1. Corner and reverse corner lots shall have a minimum ten foot street side yard.
2. Wherever a garage opening faces onto a street, a minimum 20-foot side yard shall be provided.
3. When the main entrance to a building faces the side lot line, the entrance shall be located at least ten feet from the property line.

(d) Extensions into the required rear yard are permitted subject to the conditions stated in Section 17.14.090.C.

(e) Corner or reverse corner lots - extensions within five feet of the rear property line are permitted providing that all requirements for usable open space are met.

(f) Where the rear lot line abuts and is common to the boundary of a street, alley, or permanent open space, the rear yard setback may be reduced by five feet. However, any garage opening onto a street shall be set back a minimum of 20 feet.

(g) Building height is the vertical distance from the average finished grade, as measured around the perimeter of the structure five feet out from the exterior wall surface to the highest point of the structure, that being the ridgeline of the roof or the top of the parapet wall on a flat roof. Chimneys and other similar devices may exceed the height requirement. Greater height or additional stories for habitable space may be permitted under Section 17.14.100.

(h) The following provisions apply to garages:

1. Regardless of other setback requirements, garages which open into an abutting street require a minimum 20-foot setback;
2. Garages which open onto an alley or private drive require 25-foot unobstructed back-up area which may include alley right-of-way;
3. The City Council, upon recommendation by the Planning Commission, may allow a minimum 10-foot front yard setback for side entry garages (garage door faces a side property line and driveway access is from the front property line) under the following conditions:
   i. The reduced setback is requested and approved as part of the application process for a tentative tract map, planned unit development or planned community zoning, at the time of initial application or as a modification prior to sale of any units;
   ii. The access drive provides a 30-foot paved back-up area, as measured from the garage door to the far side of the driveway.

(i) The following exceptions apply:

1. Corner or reverse corner lots - minimum ten foot on street side.
2. Access to an interior court through side yard - minimum ten foot side yard.
3. Entrance to building faces the side lot line - minimum ten foot side yard.

(j) When the development abuts an R1 (single-family) zone, the maximum height of any building within 70 feet (including streets and alleys) of the R1 zone is one story or 20 feet, whichever is less except as provided in 17.14.100.

(k) Adjustments to minimum lot frontage requirements for cul-de-sac and knuckle lots shall be considered part of the discretionary approval of the subdivision.

(l) The minimum distance between a mobile home and another mobile home shall be ten feet from side to side, eight feet from side to front or rear, and six feet from rear to rear, or front to front, or front to rear. Mobile homes shall be located a minimum of three feet from all lot lines, except that no setback is required when a lot line borders an interior roadway. The minimum distance between a mobile home and a permanent building shall be ten feet, except for mobile home parks established prior to September 15, 1961, the distance shall be six feet.

(m) Eave overhangs and other similar projections may extend into the required setback area provided that a minimum of six feet separation is maintained between the edge of the projection and an adjacent mobile home, an accessory structure or its projection. Any projection is required to have a minimum three foot setback from any lot line not bordering a roadway, and any projection may be built up to a property line bordering a roadway.

Carport awnings may be erected up to a property line provided the construction material is non-combustible, and that there is a minimum three foot separation provided from a mobile home or any other structure on the adjacent lot.

Awnings attached to a mobile home shall not exceed 12 feet in width. Detached awning's width and length are not regulated except by lot coverage.

(n) The maximum density allowed is ten mobile home spaces per net acre, excluding public streets. One mobile home is allowed per mobile home space, except two or more mobile home units may be combined to create a single residence.

(o) The floor area ratio (FAR) calculation is the building square footage divided by lot area. Building square footage shall include all structures on a lot, including garages and accessory structures, unless otherwise provided in this code.

(p) Lot coverage shall include the area devoted to the principal and accessory structures, patios enclosed on three sides, garages, and covered parking.

(q) See Section 17.14.110 for specific usable open space standards.

(r) The minimum open space requirement shall be in addition to all access drives, laundry, office, parking, storage, and mobile home yard area requirements. Such area may be in one or more locations and shall be readily accessible to all residents of the mobile home park.

(s) Two or more units are permitted on a lot depending upon the area of the lot and the ability to comply with other zoning requirements. Two units may be constructed upon any legally created lot, even if less than the minimum lot size permitted under this Title, subject to compliance with all development standards (other than minimum lot area per unit).

(t) The permitted density range shall be as indicated on the General Plan Land Use Policy Map. The actual yield shall be dependent upon lot area and other zoning requirements.

(u) Floor area ratio (FAR) shall vary according to lot area as follows:

Lot Area in Square Feet	Maximum FAR
<10,000	0.60
10,000—39,999	0.50
>40,000	0.40

(v) The following standards shall apply to the R1-5 zone. In addition, all policies identified in Goal 11.0 of the East Orange General Plan, Land Use Element, adopted 12-19-89, shall apply to all R1-5 zones throughout the City as well.

(v.1) Lot Area. A 5,000 square foot average lot area is permitted within builder tracts, subject to a conditional use permit and the following criteria:

1. No lots less than 4,500 square feet.
2. Any lots less than 5,000 square feet are to be distributed throughout the project, with no more than three such lots adjoining.
3. No more than 35 percent of total lots in tract are to be less than 5,000 square feet.
4. The minimum pad size within the R1-5 category shall be 4,500 square feet. Deviations from the minimum standard may be considered where multi-level pads or other hillside adaptive grading techniques are utilized, subject to approval of a conditional use permit.

(v.2) Setbacks.

1. Front Yard Setbacks
   i. Garages. Driveways shall be a minimum of 20 feet measured from back of sidewalk or back of curb if there is no sidewalk. Driveway lengths less than ten feet may be permitted in limited numbers by conditional use permit, as provided in Policy 11.5(b) of the East Orange General Plan, Land Use Element.
   ii. The minimum setback for any residential unit shall be 15 feet from back of sidewalk or back of curb if there is no sidewalk. The second story of each residential unit shall vary the setback from 15 to 25 feet, measured from back of sidewalk or back of curb if there is no sidewalk.
2. Rear Yard Setbacks
   i. The first story of a residential unit shall be set back a minimum of 15 feet from the property line provided that 50 percent of the unit shall be set back 20 feet from the property line.
   ii. The second story of a residential unit shall vary the setback from 15 to 25 feet from the property line.
   iii. Where flat building pads are created on individual lots, the minimum usable rear yard area shall be 875 square feet as measured from edge of pad. Usable rear yards smaller than 875 square feet may be permitted, subject to approval of a conditional use permit.
3. Side Yard Setbacks. The minimum distance between buildings shall be ten feet. Open lattice patio covers may be constructed within sideyards subject to requirements of the Uniform Building Code.

(v.3) Floor Area Ratio. R1-5 housing, excluding two car garages, shall not exceed maximum FAR of 0.55 and an average FAR of 0.5 based on pad size.

(w) Definition of pad contains the following criteria:

1. The relatively flat buildable portion of a lot, not exceeding a five percent grade, created with the original subdivision.
2. Retaining walls used to increase pad size shall not exceed three feet in overall height as measured from top of wall's foundation to top of wall.

(x) Minimum lot area in square feet shall be subject to Section 17.14.080.

(y) Projects within the Old Towne District shall relate and be visually compatible with existing structures in the project vicinity. Therefore, height of new infill and building additions shall be as specified in the Old Towne Standards.

(z) All buildings located within the Old Towne residential quadrants shall have a minimum front yard setback of 20 feet. (Ords. 12-95; 12-87; 20-82; 19-79; 44-73: Prior Codes 17.66.090 and 17.34.090)

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